

MINUTES OF THE REGULAR MEETING
OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)
AND REDEVELOPMENT AGENCY AND ADJOURNED REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF CHULA VISTA

March 22, 2007

6:00 P.M.

Regular Meeting of the Chula Vista Redevelopment Corporation and Redevelopment Agency of the City of Chula Vista were called to order at 6:05 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

CVRC ROLL CALL

PRESENT: Directors: Castaneda, Desrochers, Lewis, McCann, Paul, Ramirez, Rooney (arrived at 6:13 p.m.), Rindone, and Chair Cox

ABSENT: Directors: None

CITY COUNCIL/REDEVELOPMENT AGENCY ROLL CALL

PRESENT: Council/Agency Members: Castaneda, McCann, Ramirez, Rindone, and Mayor/Chair Cox

ABSENT: Council/Agency Members: None

ALSO PRESENT: Interim Executive Director/City Manager Thomson, Deputy General Counsel/ Deputy City Attorney Shirey, Acting Community Development Director/Secretary Hix, Redevelopment Project Manager Crockett, Principal Community Development Specialist Lee, Senior Deputy City Clerk Peoples

PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

1. APPROVAL OF MINUTES

Staff Recommendation: That the CVRC and Redevelopment Agency approve the minutes of March 8, 2007.

ACTION: Director Desrochers moved approval of the CVRC/Redevelopment Agency minutes of March 8, 2007. Director /Agency Member McCann seconded the motion and it carried 8-0, with Director Rooney absent.

PUBLIC COMMENTS

There were none.

ACTION ITEMS

2. COUNCIL SUBCOMMITTEE REPORT: CHULA VISTA REDEVELOPMENT CORPORATION

On December 19, 2006, the City Council formed a subcommittee, consisting of Mayor Cox and Councilmember Rindone, to revisit and evaluate the structure of the CVRC. The subcommittee will present a full report with recommendations to the CVRC, RDA, and City Council.

Chairwoman/Mayor Cox introduced the item and then turned the presentation of the subcommittee report over to Vice-Chair/Deputy Mayor Rindone who provided a brief PowerPoint presentation of the subcommittee's review of options and recommendations, assisted by Chief of Staff Forster.

Vice Chairman/Deputy Mayor Rindone presented an overview of the Four Essential Themes for the CVRC, followed by three potential options. He then provided the Subcommittee's recommended option, which was to restructure the CVRC Board by removing the Mayor and Council, and retaining the Redevelopment Advisory Committee (RAC).

Chairwoman/Mayor Cox then provided the seven subcommittee recommendations: 1) The CVRC should continue to advise the City Council in the Council's role as the Redevelopment Agency; 2) Councilmembers should be removed as CVRC Directors. The City Council should select five additional Directors with professional preparation or experience in business, real estate, finance, real estate development, architecture, land planning, real estate law, or real estate investment who should all be Chula Vista residents; 3) The City Manager should remain as Executive Director of the Agency, and the City Manager's designee should act as the chief Executive Officer of the CVRC; 4) The CVRC staff can be some or all of the staff of the existing Community Development Department; 5) The RAC's current role as one that provides advice to the CVRC Directors should be retained; 6) Redevelopment projects should be pursued sooner rather than later; 7) A formal, independent evaluation of the CVRC, RAC, and redevelopment-task staff should be initiated three years from the date of the newly restructured CVRC.

Vice Chairman/Deputy Mayor Rindone presented the next steps of the subcommittee's recommendation which included: 1) The removal of the City Directors (City Council); 2) Their replacement with five new Independent Directors (Chula Vista residents); 3) The City Manager's designee as CVRC Executive Director (no new expense); 4) Public reporting of expenditures using redevelopment money; 5) A formal, independent evaluation to be held three years from restructuring.

Director/Agency/Councilmember Castaneda confirmed that the total number of proposed directors would remain the same at nine, with five no longer being City Councilmembers, but rather Chula Vista residents, and that the proposal would not preclude any of the current four original independent directors from being replaced by a Chula Vista resident when their term expired.

ACTION ITEMS (continued)

Director/Agency/Councilmember Ramirez stated he was interested in having a relaxed dialogue between the CVRC Board and the community, and expressed his preference that the meeting be run to allow people to address the recommendations one by one so that he could ask questions of staff and the speakers.

Chairwoman/Mayor Cox stated that she had received six speaker slips and requested that as she called on the people to come up and speak, they express their comments as a whole if they so intended to, or if they wish to speak to individual recommendations, that they hold their comments until those items were discussed in accommodation of Director/Agency/Councilmember Ramirez.

Charles Moore, resident of Chula Vista and President of the Chula Vista Chamber of Commerce, spoke in support of the subcommittee recommendations, but encouraged the Board not to dilute the talent pool by requiring that the five new CVRC members be Chula Vista residents, and suggested that consideration also be given to Chula Vista business owners who may not live in the City. Mr. Moore then expressed concern with what he perceived to be a three-year deadline being placed on the CVRC to prove successful, which would not provide a true chance for success.

Lisa Cohen, CEO of the Chula Vista Chamber of Commerce, spoke in support of the subcommittee recommendations, stating concurrence with the replacement on the Board of the City Council by five Chula Vista residents, provided they are the best qualified applicants based on training, knowledge and experience, noting that if a Chula Vista resident is not found to meet these requirements, the Council should have the authority to appoint a non-resident.

Bill Hall, Chula Vista resident and member of the Chula Vista Chamber of Commerce, stated he strongly concurred with all recommendations of the City Council subcommittee.

Tom Money, owner of Money Realty, commended the Council subcommittee and encouraged the adoption of the subcommittee recommendations.

Jackie Lancaster, Chula Vista resident, stated she supported the use of existing staff and the City Manager as Executive Director of the Agency.

Patricia Aguilar, Chula Vista resident representing Crossroads II, urged the CVRC not to approve the proposed recommendations and requested the report be sent back to the subcommittee for further consideration. She then stated her reasoning. First, that the first recommendation did not acknowledge any input or public comments made at the last CVRC meeting on this topic, and that it was inappropriate that prior information received was ignored. Second, that the statement of focusing and streamlining the process as the antidote is not possible, as there is common knowledge that there is a lot of internal dissention between the Planning Department and Community Development. Third, the reason why CCDC is successful,

ACTION ITEMS (continued)

is because they have their own Executive Director and staff, yet the subcommittee recommendation is to use City staff, and as long as City staff is doing the work, the focus will be dispersed, as City staff has other duties and roles. Fourth, the CVRC directors provide professional advice, which is the role of City staff, and staff can hire professional consultants if there is some expertise they need and don't have. Fifth, the CVRC is an advisory body, which proves that it is an unnecessary layer of bureaucracy, and the RAC and developer should advise the RDA directly. Sixth, regarding the City Council's fiduciary responsibility to pursue redevelopment projects sooner rather than later, Ms. Aguilar expressed doubt that a restructured CVRC Board would help accomplish this goal. Seventh, a restructured CVRC with its focus on redevelopment, would not be able to weight the perspectives of the project developers and the community, or shape a redevelopment effort economically and socially. Ms. Aguilar then added that should the CVRC go forward with the subcommittee recommendations, she believed that the five new members should be Chula Vista residents that lived in different community areas, or redevelopment areas, and once again urged the CVRC Board to not approve the report.

Peter Watry, Chula Vista resident, spoke regarding the second to the last paragraph on the last page of the subcommittee report, stating that the statement that "favorable market conditions that existed four years ago are gone" was wrong and should not guide policy.

Betsy Keller, Chula Vista resident and member of Onstage Playhouse and the Third Avenue Village Association, stated that the time had come to move the plan forward, and expressed full support for the subcommittee recommendations.

Director/Agency/Councilmember Castaneda inquired and received concurrence from Chairwoman/Mayor Cox that the issue raised by Ms. Aguilar pertaining to redevelopment planning and implementation activities being placed with a single department, such as the Community Development Department, was the way things currently were handled and where support staff was located and would continue to reside regardless of whether or not there was a CVRC. He then suggested "Redevelopment Staff" versus Community Development be used in future reports for clarification. Next he spoke regarding the subcommittee's addition of five Chula Vista residents, stating he felt it important to consider building on the expertise and backgrounds of the current appointed members, and the need to continue to look for the kinds of support with respect to the advisory function to assist in making more informed and more feasible decisions as they relate to approving projects in the various neighborhoods. Director/Agency/Councilmember Castaneda then inquired as to whether the subcommittee considered putting a preference on the appointment of new members who were residents living in or adjacent to the redevelopment subareas. Chairwoman/Mayor Cox stated it was not one of the considerations of the subcommittee as residents move and doing so might result in the disqualification of a director who may play an integral role in the decision making process. Vice Chairman/Deputy Mayor Rindone stated that although not specifically addressed, the subcommittee felt that having the expertise within the City and allowing that flow and continuity with residents would provide the highest value.

ACTION ITEMS (continued)

Director Desrochers commented on Ms. Aguilar's statements regarding possible friction between the Community Development Department and Planning staff, stating that friction is very healthy. With regards to having residents on the newly formed corporation as proposed, he reminded everyone that the RAC currently has the residents and the CVRC is more than just approving design and layout, the members have to look at time lines, financing, acquisition, public improvements, and engineering to name a few.

Director/Agency/Councilmember Ramirez thanked the subcommittee for their written report and, commending members for the thoroughness of the document and its attachments, expressed concerns regarding the interaction of the Planning Department and planners on the Community Development Department staff, and added general comments regarding his understanding of the various functions between staff, community, the RAC, and the CVRC.

Director/Agency/Councilmember McCann stated this was one of the most important items being dealt with and that it was time to start making decisions and get to work.

Director Rooney expressed concerns about potential problems with people who own businesses and property being on the CVRC board as suggested, having the requirement to recuse themselves to avoid potential conflicts, and inquired whether residents who do not own property would be able to participate. Chairwoman/Mayor Cox responded that it was conceivable that a person who owned a restaurant outside of the redevelopment area would not have a conflict, but someone who owned a shop in the redevelopment area would have to recuse themselves. Chairwoman/Mayor Cox then stated this particular recommendation might be something to debate in the future, to determine whether the majority of the Board of Directors should be Chula Vista residents and/or Chula Vista business owners. Director Rooney expressed his view that people who live and work in the Redevelopment area have a lot of insight, which should come through the RAC versus being a participant on the CVRC. Director Rooney then inquired about the potential of having a separate CVRC staff eventually. Vice Chairman/Deputy Mayor Rindone stated the subcommittee considered this as a possibility, noting further discussion would probably occur during the third year evaluation.

Director Lewis praised the subcommittee for their work on the report and commented that there were only eleven years left to redevelop with four of the prior years being used up trying to get the CVRC started. He then provided an overview of how the CVRC came into being and stated that it was time to move forward, stop turning development away and being fearful of a CVRC and create the world class City Chula Vista deserves to be.

Director Paul stated he was squarely on board with Director Lewis' comments, and concurred that the RAC was where the community input should happen and the role of the CVRC would be to listen to developer interest and RAC input and weigh in, almost in a judicial way, on how it complies with the intent of the General Plan, and help form a viable way to bring the project to the City Council and make recommendations.

Chairwoman/Mayor Cox stated she took issue with Ms. Aguilar's comment that the subcommittee ignored the public comments, noting that the subcommittee had verbatim and summarized comment, as well as written public comment, and that although not every issue was responded to, they were all taken into consideration.

ACTION ITEMS (continued)

Patricia Aguilar, representing Crossroads II, clarified several of her prior comments stating that she did not say the subcommittee did not consider the input from prior meetings, but that the report did not address it. Additionally, that Crossroads II fully supported revitalization and redevelopment in Western Chula Vista and fully supported and wanted to see vibrancy brought back to Third Avenue, but they questioned in reviewing the report the quickest, easiest, simplest and clearest way to make it happen, and from their point of view although it is probably better to have a CVRC as another layer of review, it did not seem necessary to have a special agency and set of meetings just to get advice.

Vice Chairman/Deputy Mayor Rindone stated Ms. Aguilar's position was understood, however the reasons of the subcommittee for their recommendation to have a CVRC were delineated in the report.

Jackie Lancaster, Chula Vista resident, stated she understood that the nine Directors would earn \$750 each per month. Chairwoman/Mayor Cox advised Ms. Lancaster that she was misinformed as there was no stipend.

Director/Agency/Councilmember McCann noted that Directors Paul, Desrochers, Lewis and Rooney were very highly paid professionals and if one hour of their time was to be compensated for, it would be a large dollar figure, so the City was in fact gaining from this free expertise. Additionally, although getting staff's input and speaking with the Directors individually could be done, it is far better to have them all together in an open public forum.

Recommendation 2: The Councilmembers be removed as CVRC Directors, and the Council select five additional Directors with professional preparation or experience in business, real estate, finance, real estate development, architecture, land planning, real estate law, or real estate investment, who should all be Chula Vista residents.

Director/Agency/Councilmember Ramirez stated that the original intention of the CVRC was not in question, but how the best way to get there was, and he stated that an important consideration when selecting the community directors was to ensure a diversity of viewpoints as well as professions in order to promote discussion of different perspectives and to challenge the rationale and issues around a particular project during their deliberations. Director Lewis explained that a well-selected CVRC Board was not going to be a rubber stamp and would be able to challenge a developer as well as have fiduciary responsibility and experience to be able to challenge, negotiate and debate projects. Director/Agency/Councilmember McCann stated that a nine-member board might be too large, but concurred with the recommendation to fill the positions with Chula Vista residents. Additionally, if approved this evening, Director/Agency/Councilmember McCann requested that the Mayor's Office work with the City Clerk to post the openings immediately, and not delay the interviewing and appointment process. Chairwoman/Mayor Cox reminded the Board of the process required to fill all vacancies, noting that it would be the intent of the subcommittee to bring back to the Council the proposed process to follow. Vice Chairman/Deputy Mayor Rindone stated that the variety of the nine experts would provide sufficient base to provide a diversity of views requested by Director/Agency/Councilmember Ramirez and would foster debate. Additionally, he recommended that the five positions to be filled should come from five different areas. Mayor

ACTION ITEMS (continued)

Cox stated that the Bylaws would also need to be resolved prior to action being taken on the appointments. Vice Chairman/Deputy Mayor Rindone stated that education would be added to the proposed list of qualifications as it had inadvertently been left out.

Peter Watry, Chula Vista resident, expressed his view on a potential internal contradiction in the report. Chairwoman/Mayor Cox again explained the intent of the recommendations and the selection of the additional members from diverse professional fields. Mr. Watry suggested for example a housewife be considered as a member of the CVRC Board, not just on the RAC, to provide balance.

Director Rooney stated that although diversity was needed on the Board, expertise in the area of development was needed as well, and suggested the list be expanded to include urban designers, and landscape and land planning professionals.

Chairwoman/Mayor Cox stated that since these items need to go to the Attorney for amendment to the Bylaws, consideration could certainly be given to the addition of urban designers, education personnel and landscape planning professionals.

Director Desrochers responded to prior comments noting that professionals are not one-dimensional people, they all come from different backgrounds, have different educations and points of view.

Director/Agency/Councilmember Castaneda requested that Director/Agency/Councilmember Ramirez provide his specific recommendations or wording that would address his specific concerns. Director/Agency/Councilmember Ramirez stated he did not know what they should be, but felt it should be figured out.

Director Paul reminded everyone that the role the CVRC Board was asked to perform was to help facilitate a quality of redevelopment in the community that will be consistent with what the community wanted, evaluate the requirements and requests that come from the community advocacy groups (RAC), and at the same time look at developer issues and bring expertise to pull it all together to work for the community, developer and City and be economically viable. He then suggested the addition of a person with an environmental law or science background as well.

Lisa Cohen, CEO representing the Chula Vista Chamber of Commerce spoke in support of Recommendation 2.

Kevin O'Neill, Chula Vista resident, stated he was initially opposed to the formation of the CVRC, but now saw the need, adding that he felt seven members would be appropriate, but nine was too many, and that the CVRC should be made up of people who understood development from all facets with the purpose of the RAC being to vet projects through the community in terms of design review.

Chairwoman/Mayor Cox stated that the subcommittee had heard the additional qualifications of environmental law, environmental science, urban design, land planning and education, and would bring them back in the form of amended Bylaws, and that the CVRC Board of Directors should be supplemented with 1, 3 or 5 additional Chula Vista residents to ensure that the number of Chula Vista residents will be in the majority.

ACTION ITEMS (continued)

Recommendation 3: The City Manager should remain as the Executive Director of the Redevelopment Agency, and the City Manager's designee shall act as the Chief Executive Officer of the CVRC.

No comments were received.

Recommendation 4: The CVRC staff can be some or all of the Community Development Department.

Director/Agency/Councilmember McCann inquired, and Acting Community Development Director Hix responded, that the department currently had four Planners with zoning, design and planning expertise who understood the rules and would be enablers to help projects fit within the standards to make them happen without any surprises at the end. He also inquired of the CVRC subcommittee, as to whether the CVRC members would be allowed to use members from other City departments if additional expertise was needed. Chairwoman/Mayor Cox responded in the affirmative, noting that the Information Technologies staff would be relied upon heavily for assistance with web design, maps, and links to maps.

Recommendation 5: The RAC's current role as one that provides advice to the CVRC should be retained.

Director/Agency/Councilmember Ramirez stated that development has more extensive implications in a community that go beyond merely a business deal, and asked what the mechanism would be within the CVRC to ensure that the Directors balance the business deal with community input. Chairwoman/Mayor Cox noted that Mr. Ramirez was pointing to a note in the report that was meant to be a supportive argument to the recommendation, and that the full note declared that the balancing was between the business deal and the community input offered by the RAC. Director Lewis responded to Mr. Ramirez comments that the "guarantee" was made by having the Redevelopment Agency made up of elected officials to maintain the oversight. Vice Chairman/Deputy Mayor Rindone requested Mr. Ramirez read the last sentence in the paragraph he initially referred to, noting his concern were fully addressed therein.

Chairwoman/Mayor Cox stated that should the CVRC forward the recommendation and the Council accept it, ultimately, the CVRC would hold a workshop with the RAC to insure that both sides would understand clearly what their roles and responsibilities were.

Recommendation 6: Pursue redevelopment projects sooner rather than later.

Director/Agency/Councilmember Ramirez inquired as to whether or not the Redevelopment Agency debt could ever become a general fund obligation. Director Desrochers responded, and Deputy General Counsel/Deputy City Attorney Shirey confirmed, that it could not, as redevelopment bonds are tied to tax increment, which is the sole source of repayment. Further, that the Redevelopment Agency is a separate public entity from the City.

ACTION ITEMS (continued)

Recommendation 7: A formal, independent evaluation of the CVRC, RAC and redevelopment-tasked staff should be initiated three years from the newly restructured CVRC Board of Directors.

Chairwoman/Mayor Cox provided an overview of the recommendation, noting that the challenge is out there with the adoption of this set of recommendations (coupled with the possible adoption of an Urban Core Specific Plan, Southwest Specific Plan and any other that might come up in alignment with the General Plan) for staff to get things done expeditiously. The independent evaluation is not intended as criteria for forward motion, but to review what does and does not work.

Director/Agency/Councilmember Ramirez stated he would like to include a line in the recommendation that would say one of the other options to evaluate would be to dissolve the CVRC and look at how the Community Development Department working with the Planning Department would take on the responsibilities of the CVRC. Vice Chairman/Deputy Mayor Rindone explained the reason for the wording of the recommendation as presented, noting that if progress was not seen during the proposed period of time, there would have to be a reevaluation. Director/Agency/Councilmember McCann expressed appreciation for the recommendation and the accountability it provided, noting that he would like to see yearly milestones and quantitative measurable goals and metrics from the Council and CVRC. Chairwoman/Mayor Cox stated that this recommendation could be put in the Bylaws as an amendment to the structure. Acting Community Development Director Hix stated that periodic reports would continue to be provided as would the 5-Year Implementation Plan, which would be brought back to the CVRC/RDA with a mid-term report in May, which could be used as a baseline report, with benchmarks included.

Director/Agency/Councilmember Castaneda expressed concerns that when talking about evaluation, no one falsely or naively believe that Redevelopment staff could conjure up projects, as there was no substitute for having a good plan, which they do not currently have. Further, that there was a good staff but no direction as they have no document to work from, and the development cycle has been lost. He then stated he did not want to send a message to Community Development Department staff that they need to be cost recoverable and every project that comes down the line gets rubber-stamped to create tax increment. Projects need to be measured against the goals, efforts and desires of the City and then be brought back for support, without getting into the generation of tax increment. Everything needs to be looked at in context when evaluated, the entire process, not just money in the bank.

Chairwoman/Mayor Cox stated that the subcommittee would be working throughout the next three years with the CVRC Board of Directors and Redevelopment staff, and requested that staff begin to draft a skeletal framework that can be added to so as to ensure the concerns of the current CVRC are addressed.

Director Paul inquired and Chairwoman/Mayor Cox responded that due to being bound by City employment policies, City employees need to be responsive to the City Manager, but that as the City Manager considers who his designee will be, the charge will be to listen to the CVRC and interact with the City Manager as appropriate. If this becomes a problem for the newly restructured CVRC, the new CVRC will no doubt come to the City Council and indicate that there is a difficulty in need of addressing.

ACTION ITEMS (continued)

Director/Agency/Councilmember Ramirez stated that he wanted to give the CVRC an opportunity to succeed and that he would support the recommendations. Further, that he supported the need for benchmarks, and understood that they could not be tied to tax increments, but wanted to find areas to evaluate in a productive way, and to have accountability in some measurable form.

Director/Agency/Councilmember McCann addressed Mr. Ramirez's concerns noting that tax increment was only one thing that he felt should be measured, and that he felt the trap the City had fallen into was not getting anything done. The Urban Core Specific Plan had not been passed, no ENA's had been passed, and no dirt had been turned. The goal is to have a quantitative metric that can be measured, staff needs to be given goals and tools to get things done, and they should be rewarded if the goals are achieved or held accountable if they are not.

Director Lewis stated that all things being addressed added credence to why a CVRC was needed, primarily the need for public/private cooperation. Speaking on behalf of his appointed colleagues, he stated that they were all driven by goals and measures and suggested that ways to expand the capability rather than disbanding it was what needed to be looked at.

Staff recommendation: That the **CVRC** adopt the following resolution:

ACTION: Chairwoman Cox moved to adopt CVRC Resolution No. 2007-004, heading read, text waived.

- 2a. CVRC RESOLUTION NO. 2007-004, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION RECOMMENDING THAT THE REDEVELOPMENT AGENCY AND CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVE THE REPORT AND RECOMMENDATIONS OF THE COUNCIL SUBCOMMITTEE ON CVRC STRUCTURE AND OPERATIONS AND DIRECT STAFF TO PREPARE THE NECESSARY AMENDMENTS TO THE CVRC'S LEGAL AND OPERATING DOCUMENTS

Vice Chairman Rindone seconded the motion, and it carried 9-0.

Staff recommendation: That the **City Council** and **Redevelopment Agency** adopt the following resolution:

ACTION: Mayor/Chairwoman Cox moved to adopt City Council Resolution No. 2007-065, Redevelopment Agency Resolution No. 2007-1970, heading read, text waived.

- 2b. CITY COUNCIL RESOLUTION NO. 2007-065, REDEVELOPMENT AGENCY RESOLUTION NO. 2007-1970, JOINT RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA APPROVING THE REPORT AND RECOMMENDATIONS OF THE COUNCIL SUBCOMMITTEE ON CVRC STRUCTURE AND OPERATIONS AND DIRECTING STAFF TO PREPARE THE NECESSARY AMENDMENTS TO THE CVRC'S LEGAL AND OPERATING DOCUMENTS

Deputy Mayor/Vice Chairman Rindone seconded the motion, and it carried 5-0.

ACTION ITEMS (continued)

Chairwoman/Mayor Cox stated that the subcommittee would meet again, and would work with City staff and the City Attorney's office on amendments of the Bylaws, Articles of Incorporation, and ordinances, and any other changes necessary, noting that they will target the meeting of April 12th, but it may take a couple of additional weeks. Additionally, she noted for the public that March 28th was the date of the Planning Commission's hearing for the Urban Core Specific Plan, which the City Council would hear in late April.

3. CHIEF EXECUTIVE OFFICER'S REPORTS

Interim City Manager/Chief Executive Officer Thomson stated that the City Council would not be meeting on April 10, 2007 per Chula Vista Municipal Code, but that the CVRC would hold their Regular Meeting on April 12, 2007 at 6:00 p.m. in the Council Chambers.

4. CHAIRWOMAN'S REPORTS

There were none.

5. DIRECTORS' COMMENTS

Director Desrochers stated he would be submitting a request for excused absence from the April 12, 2007 meeting.

ADJOURNMENT

At 9:58 p.m., Chairwoman/Mayor Cox adjourned the Chula Vista Redevelopment Corporation and Redevelopment Agency to their regularly scheduled meeting on April 12, 2007, at 6:00 p.m., and the City Council to an adjourned regular meeting on March 26, 2007 at 4:00 p.m. in the Council Chambers.

Ann Hix, Secretary

MINUTES OF THE REGULAR MEETING
OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC) AND AN
ADJOURNED REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF CHULA VISTA

April 12, 2007

6:00 P.M.

A Regular Meeting of the Chula Vista Redevelopment Corporation and an Adjourned Regular Meeting of the City Council of the City of Chula Vista, were called to order at 6:04 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

CVRC ROLL CALL

PRESENT: Directors: Castaneda, Lewis, McCann, Paul, Ramirez, Rooney,
Rindone, and Chairwoman Cox

ABSENT: Directors: Desrochers

CITY COUNCIL ROLL CALL

PRESENT: Councilmembers: Castaneda, McCann, Ramirez, Rindone, and
Mayor/Chairwoman Cox

ABSENT: Councilmembers: None

ALSO PRESENT: Interim Executive Director/City Manager Thomson, General Counsel/
City Attorney Moore, Acting Community Development Director/Secretary
Hix, Planning Manager Ladiana, Redevelopment Project Manager
Crockett, Senior Community Development Specialist Tapia, Community
Development Specialist Alvarez, Planning and Building Director
Sandoval, Advance Planning Manager Batchelder, Senior Deputy City
Clerk Peoples

PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

1. WRITTEN COMMUNICATIONS

- a. Memorandum from Paul Desrochers requesting an excused absence from the
Chula Vista Redevelopment Corporation meeting of April 12, 2007

Staff recommendation: That the CVRC excuse the absence.

ACTION: Chairwoman Cox moved approval of the request for an excused absence. Vice
Chairman Rindone seconded the motion, and it carried 8-0, with Director
Desrochers absent.

PUBLIC HEARINGS

2. CONSIDERATION OF CONDITIONAL USE PERMIT PCC-07-047 FOR THE ESTABLISHMENT OF A LASER TAG FACILITY AT 510-520 BROADWAY

The applicant, RNL Adventures, has submitted a Conditional Use Permit (CUP) application for the re-use of an existing building located at 510-520 Broadway for an indoor laser tag arena, video game arcade and party rooms.

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

Chairwoman Cox opened the public hearing.

Community Development Specialist Alvarez presented the staff report.

There being no members of the public who wished to speak, Chairwoman Cox closed the public hearing.

Staff recommendation: That the CVRC adopt the following resolution:

ACTION: Director Castaneda moved to adopt Resolution No. 2007-005, heading read, text waived:

2a. CVRC RESOLUTION NO. 2007-005, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING CONDITIONAL USE PERMIT PCC-07-047 FOR THE RE-USE OF AN EXISTING BUILDING LOCATED AT 510-520 BROADWAY FOR AN INDOOR LASER TAG ARENA, VIDEO GAME ARCADE AND PARTY ROOMS, SUBJECT TO THE LIST OF CONDITIONS IN THE CVRC RESOLUTION

Director McCann seconded the motion, and it carried 8-0, with Director Desrochers absent.

3. CONSIDERATION OF DRC-06-69, INDUSTRIAL BUILDINGS AT CHULA VISTA COMMERCE CENTER, 3525-3527 MAIN STREET

This is a multi-tenant industrial complex on a 2.24-acre site located at the southwest corner of Main Street and Reed Court. The project will include two concrete buildings totaling approximately 38,000 square feet of light manufacturing and limited warehousing.

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

PUBLIC HEARINGS (continued)

Senior Community Development Specialist Tapia presented the staff report.

Chairwoman Cox opened the public hearing.

Jack Stanley, Chula Vista resident and property owner of the south end of Reed Court, stated that the proposed development did not allow for the opportunity to create a cul-de-sac at the end of Reed Court and the intersection of Britton Avenue. He then requested consideration for abandonment of Britton Avenue so that a cul-de-sac could be created to service the needs of the people downstream.

Chairwoman Cox referred the request to staff.

There being no members of the public who wished to speak, Chairwoman Cox closed the public hearing.

Director Ramirez expressed concern and requested reconsideration for the use of funding for the provision of interim improvements, rather than setting aside the funding for future permanent drainage improvements.

Staff recommendation: That the CVRC adopt the following resolution:

ACTION: Director McCann moved to adopt Resolution No. 2007-006, heading read, text waived:

3a. CVRC RESOLUTION NO. 2007-006, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION ADOPTING MITIGATED NEGATIVE DECLARATION (IS-07-022); AND (2) APPROVING DESIGN REVIEW PERMIT (DRC-06-69) TO ALLOW THE CONSTRUCTION OF 37,289 SQUARE FEET OF INDUSTRIAL SPACE ON THE SITE LOCATED AT 3525-3527 MAIN STREET

Director Lewis seconded the motion, and it carried 8-0, with Director Desrochers absent.

4. CONSIDERATION OF AMENDMENTS TO CHULA VISTA MUNICIPAL CODE CHAPTERS 19.07 – SPECIFIC PLANS, AND 19.80 – CONTROLLED RESIDENTIAL DEVELOPMENT (CRDO)

The proposed amendment to CVMC 19.07 would add provisions to further clarify required content for local specific plans, including a program indicating how needed facilities and services would be provided and financed and establish new findings. In addition, the proposed amendment to CVMC 19.80 would provide that areas zoned or proposed to be rezoned as part of a specific plan would be deemed in compliance with the CRDO's zoning provisions provided it conforms to CVMC Chapter 19.07.

PUBLIC HEARINGS (continued)

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

Chairwoman Cox provided a brief explanation of how the hearing on this item would be conducted. She requested that those wishing to speak to Items 4a, 4b, and 4c, address their comments when that item was heard, and advised those present wishing to speak to the Urban Core Specific Plan that it would be heard at the April 26, 2007 meeting.

Planning and Building Director Sandoval spoke regarding the Cummings Initiative, also known as the "Controlled Residential Development Ordinance" in the Chula Vista Municipal Code. He addressed the timing, intent, and rationale behind the proposed revisions, stated that the City Attorney's Office had determined that the Cummings Initiative needed to be addressed in order for the Urban Core Specific Plan (UCSP) to move forward, and that the Community Development Department believed that the success of their pending Exclusive Negotiating Agreements (ENAs) was contingent on the approval of the Urban Core Specific Plan. He then explained the reasons the Cummings Initiative was created: to protect community character, and to ensure the timely provision of infrastructure, which was to occur prior to or concurrent with development. A number of policies were included in the General Plan based on community input to address the community character. However, the infrastructure issue is dealt with in the Cummings Initiative through the zoning process and requires two steps, bumping up one step, waiting two years, and then bumping up the additional step. The purpose behind this was to allow infrastructure to catch up with development; however there were no guarantees, and staff felt that the guarantees for the infrastructure needed to be in place. For example, what they have in eastern Chula Vista should also be provided to citizens in western Chula Vista. Staff's proposed changes add the means to make sure this happens. Director Sandoval then turned the presentation over to Advanced Planning Manager Batchelder.

Advanced Planning Manager Batchelder continued with the presentation indicating that the City of Chula Vista had done quite a bit more than required by the Cummings Initiative over the past 20 years, and provided a graphic illustration of the purpose and intent of what the City had done. The illustration included the 1987 Threshold Standards, the creation of the Growth Management Oversight Commission, 1989 General Plan Update and Growth Management Update. In 1991 the thresholds were made law through the Growth Management Ordinance and Program, and in the 1990's a series of fee programs were developed to carry out the requirements (Development Impact Fees or DIF's, and funding programs related to facility services and structures). In the period of the 1990's through 2000's the City developed Facility and Service Master Plans, and Monitor and Forecasting Programs. The Growth Management Oversight Commission (made up of 9 members who review, hold meetings and issue recommendations) completed the General Plan update in 2005 which was developed on with public input from 2002 through 2004. Mr. Batchelder then provided a summary of the Threshold Standards, spoke of how the Growth Management System applied citywide, and provided slides showing the effectiveness of the system by showing facilities put in the ground. He then spoke of how these standards would apply in Western Chula Vista, where there is no vacant land and different funding than in Eastern Chula Vista, and how this can be accomplished, taking into consideration that the Southwest area has some Specific Plan issues regarding development, property issues and timing. He then introduced the proposed amendments as outlined in the staff report, and provided brief overviews of each.

Chairwoman/Mayor Cox opened the public hearing.

PUBLIC HEARINGS (continued)

Todd Stone, spoke in support.

Charles Moore, representing the Chula Vista Chamber of Commerce, spoke in support.

Tom Money, representing Money Realty, spoke in support.

Charles Boyd, representing the Chula Vista Chamber of Commerce, spoke in support.

Lisa Cohen, representing the Chula Vista Chamber of Commerce, spoke in support.

Lisa Johnson, representing the Chula Vista Chamber of Commerce, spoke in support.

Sal Salas, Chula Vista resident, spoke in support.

Greg Mattson, representing the Third Avenue Village Association, was not present but submitted a speaker slip in support.

Kevin O'Neill, Chula Vista resident, spoke in support.

Nick Aguilar, representing the San Diego County Board of Education, District 2, spoke in opposition.

Pamela Bensoussan, representing the Northwest Civic Association, spoke in opposition.

Parks Pemberton, Chula Vista resident, spoke in opposition to the proposed amendments to the Cummings Initiative.

Jillayne Salmon, Chula Vista resident, requested additional information on the Cummings Initiative. Chair/Mayor Cox requested Acting Community Development Director Hix meet with Ms. Salmon.

J. Kalani, Chula Vista resident, spoke regarding a letter he received from a neighbor regarding the Cummings Initiative. Chair/Mayor Cox requested Acting Community Development Director Hix meet with Mr. Kalani.

Brian Parra, Chula Vista resident, expressed concerns with the proposed amendments to the Cummings Initiative, and requested additional information. Chair/Mayor Cox requested Acting Community Development Director Hix meet with Mr. Parra.

Jim Peterson, Chula Vista resident and member of Board of Crossroads II, spoke in opposition to the proposed amendments to the Cummings Initiative.

PUBLIC HEARINGS (continued)

Peter Watry, Chula Vista resident, spoke regarding inconsistencies between the Cummings Initiative and the Urban Core Specific Plan, which would affect Oaklawn and Jefferson Avenues.

Clemente Inocente, Chula Vista resident, requested additional information on the proposed amendments. Chair/Mayor Cox requested Acting Community Development Director Hix meet with Mr. Inocente.

Director/Councilmember Castaneda suggested Community Development staff go out to the neighborhoods and meet with the residents to explain that if the plan is adopted, their homes will not be torn down.

Greg Moser, Attorney representing Earl Jentz, expressed his views that the proposed amendment was not consistent with the Cummings Initiative, and explained why he felt the amendment would not work.

Director/Councilmember Castaneda noted that the Cummings Initiative was approved by the Voters in 1988 which was pre-Proposition 218 which drastically restricts any governmental agency from adopting or imposing general obligation bonds, assessment districts or community facility districts and requested Mr. Moser explain how he proposed the Council could fund an area like the Urban Core Specific Plan which under the Cummings Initiative as is, would require voters to vote on every single proposal. Mr. Moser stated it would not be easy, and suggested the passing of a parcel tax as a possible method.

Gerry Scott, Chula Vista resident, inquired as to whether anyone had contacted Joe Cummings to discuss his initial purpose and intent of the Cummings Initiative. Planning and Building Director Sandoval responded that staff had to go by applied law and the stated intent that was distributed to the voters. Mr. Scott then stated he had been contacted by a developer's representative that wanted to develop between 500 to 550 residential units on the KOA site.

Teresa Acerro, Chula Vista resident, expressed concern with the weakening of the growth management ordinance, and encouraged Council to focus on finding new funds for infrastructure needs as their top priority.

Chairwoman/Mayor Cox read into the record the names of those who indicated opposition to staff's recommendation but did not wish to speak:

Sandy Duncan, Chula Vista resident
W.H. Howard
Paula Perry, Chula Vista resident
Joe Socorro, Chula Vista resident
Nan Loebs, Chula Vista resident
Margaret Tuite, Chula Vista resident
Cindy Pemberton, Chula Vista resident
Sam Longanecker, Chula Vista resident

PUBLIC HEARINGS (continued)

Charles Ulrich, Chula Vista resident

Eduardo Castanon, representing Armando Ibarra, Chula Vista property owner

Greg Mattson, President of TAVA, spoke in support of staff's recommendation.

Chair/Mayor Cox declared the public hearing closed, introduced staff members who were present and could respond to questions from the public, and called for a brief recess at 8:09 p.m.

Chairwoman/Mayor Cox reconvened the meeting at 8:22 p.m. with all members present except for Directors Castaneda (arrived at 8:24 p.m.) and Desrochers, thanked the public for their comments, and requested Advanced Planning Manager Batchelder provide clarifying comments to some of the questions raised.

Advanced Planning Manager Batchelder addressed the notion expressed by some members of the public that the proposed changes would abolish the Cummings Initiative, stating that the amendments being discussed were intended to be compliant with the initiatives' intents, similar to the existing provisions for PC zoned areas, and that the General Plan envisioned the use of Specific Plans wherein a finding would have to be made consistent with the General Plan. If areas outside of currently envisioned specific plans were proposed for specific plan zoning, they would similarly require General Plan consistency. Regarding the notion of which way to approach this, staff felt that coming forward with amendments consistent with the ordinance's provisions for public discussion, along with the stringency of a unanimous vote on the part of the Directors, was the most transparent, ethical and professional way to handle it.

Planning and Building Director Sandoval, again clarified that the proposed change would only pertain to properties within a Specific Plan area (SPA), so if a property was outside of a SPA, the two step process would still apply, requiring the two year wait between any rezoning. These areas were purposely excluded to make sure they still go through the two step process, because, with a Specific Plan, State law requires a level of detail in terms of land use compatibility, infrastructure, how land uses relate to each other, and the types of analysis required to be clearly spelled out. With a SPA, there is an opportunity to look at an orderly scheme of development and an opportunity to know what is coming forth in that area, which is not the case when you get development on a piecemeal basis. In terms of infrastructure, it is true that new development projects are only required to pay their way; however with a specific plan process there are often opportunities, to front infrastructure and to size infrastructure as you are aware of what other development is coming on line. There are opportunities to attack those maintenance issues in a comprehensive manner where the developer might get reimbursed in the future, so the infrastructure is in place in an orderly manner which doesn't occur outside of a SPA.

Director/Agency Member/Councilmember Castaneda thanked staff for the great job done outlining the issues and putting together a strategy that speaks to the purpose and intent of the Cummings Initiative. He then referenced public comments received that expressed concerns with the language in the ordinance not addressing the Cummings Initiative. He noted that there was language throughout the ordinance and provided the following examples that stated:

PUBLIC HEARINGS (continued)

unbridled, unchecked growth cannot be tolerated; if in fact growth is to happen that facilities and services need to keep pace; intense development overburdens existing open space for recreation facilities and parks; talks about traffic, and it specifically says that the measure is not designed to halt quality growth, but to ensure that rampant, unplanned development does not over tax facilities and destroy the quality and hometown character of Chula Vista. Further, he stated that it was clear that people were and are concerned with growth and development, and assured them that the Council is as well. Director/Councilmember Castaneda then stated that he did not think anyone was going to go out and beat a drum for higher taxes, and that people needed to realize that the downtown area was dying and decaying, that there was not enough money to put into infrastructure, increasing the need for new, quality development and investment, otherwise traffic will continue to worsen as will the streets, and storm drains and sewers will go unmaintained. Additionally, he noted that if redevelopment in the community is stunted, the City will continue to fall further behind, and encouraged the Board to move forward, making sure the people in the various neighborhoods are talked to and the misunderstandings are corrected.

Acting Community Development Director Hix responded that she and her staff were doing outreach into the various neighborhoods.

Vice Chairman/Deputy Mayor Rindone, to put things into perspective, stated that he was born and raised, in and was a lifelong resident of Chula Vista, and would not do anything to hurt the community. Additionally, the concerns of the longtime residents were not only with historical character, but also to ensure that good things from the past continued, such as the community character, and he assured everyone that he would always work towards that direction. However, it was also clear that failure to act and be responsible would make things worse. The Cummings Initiative had been beneficial for 20 years, but failure to act (meaning development on the westside of Chula Vista), would mean things would continue to worsen. Staff is proposing a way to give the westside similar benefits to the eastside. Their proposal does not negate, reduce, subtract or eliminate the Cummings Initiative benefits. Outside the Specific Plan area, the Cummings Initiative is not impacted at all. The Phasing plan is the same as the Cummings Initiative but has to be digested and detailed out to ensure that development and finances are in place to provide infrastructure.

Director/Agency Member/Councilmember Ramirez thanked staff for their report, and concurred with his colleagues that it was important to make a decision, and he did not believe the amendments were meant to bypass the Cummings Initiative, but that the language was an attempt to bring it up to date. However, he expressed concerns with the timing of bringing this item forward and suggested it be tabled for two weeks to allow for community outreach to address issues and build trust. He further stated that he had a meeting scheduled for Sunday morning to discuss this and other issues with the public.

Director Rooney stated that although he had not met Dr. Cummings, he felt he was a visionary who saw a problem and took the initiative to fix it. Further, that a true visionary looks forward, not backward, and the City needed to keep moving forward. The eastside development was controllable but the westside is totally different. Developers will bring in new business and residents and new tax increment that could be used for infrastructure needs. Action needs to be taken to start the process or nothing will ever happen and the westside will continue to worsen. People cannot continue to live in fear and suspicion or the stagnation will continue.

PUBLIC HEARINGS (continued)

Director Paul stated that the function of the Chula Vista Redevelopment Corporation was advisory, and to engage redevelopment with the expectation for an opportunity to create an economic value to be invested in the community to improve the quality of life. What was being proposed by staff, was a way to still honor the initiative language of Dr. Cummings, and put another tool in the tool kit which will give the process a way to have findings to help support the applicant, all the while being publicly vetted, and with the City Council making the final determination as to whether the proposal would be a quality of life improvement or should be turned down.

Director Lewis stated he was grieved by what he heard from citizens who had been fed misinformation and misled regarding the intent of what was being done. The specific plan process will address the issues raised. Further, it has never been the intent of the City to build tall buildings to overshadow houses, and if the misinformation spreading does not stop, in 10 to 15 years, the citizens will be wondering why they are driving on dirt roads. People need to understand that redevelopment is the only way to raise tax increment funding.

Director/Agency Member/Councilmember McCann thanked everyone for their participation and stated the updates to the Cummings Initiative had been a long time coming ever since looking at the Urban Core Specific Plan and revitalization. The elected officials were elected to make sure that there is growth, infrastructure, parks, fire stations, and police to name a few. People in older areas of the community say they want more parks, new restaurants, more police and fire stations, sidewalks, curbs, gutters and similar establishments as they see on the eastside. The reason why the westside of the City does not have the same things as the eastside, is because it was not originally planned for and is expensive to add. In order to increase the quality of life, new revenue has to be generated. Further, smart growth will continue to protect the single-family neighborhoods, but Chula Vista needs to move forward.

Chairwoman/Mayor Cox stated that she looked at the Cummings Initiative, and amending it, as Dr. Cummings proposed that it could be, by a 5-0 vote of the Council. Further, transparency means doing the public's business in public, talking to the public about all the things the Council can legally talk about at public meetings. She then confirmed her understanding of the Cummings Initiative and stated she was prepared to support the proposed ordinance amendment.

Vice Chairman/Deputy Mayor Rindone stated he did not think there was anybody on the dais who did not support the proposed safeguards for the Cummings Initiative, and that failure to act and move forward would be irresponsible in bringing new dollars to Chula Vista.

Director/Agency Member/Councilmember Castaneda requested amended language to 7d to which City Attorney/General Counsel Moore and Advanced Planning Manager Batchelder proposed and received concurrence on the following "...phasing schedule, and ensures that the funds are spent on said facilities pursuant to the phasing schedule." The same language would also be added to the findings in A.4 as a fourth finding.

Director/Agency Member/Councilmember Ramirez requested that under 19.07.012 A and C, Item 3, after the word plan, the words "and identified prior to the development" be added. Additionally, he requested a fifth finding be added that would read "the financing program identifies the methods for funding those facilities and services consistent with the phasing schedule."

PUBLIC HEARINGS (continued)

Staff recommendation: That the CVRC adopt the following resolution:

ACTION: Director Lewis moved to adopt Resolution No. 2007-007, heading read, text waived:

4a. CVRC RESOLUTION NO. 2007-007, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION RECOMMENDING CITY COUNCIL APPROVAL OF PROPOSED AMENDMENTS TO CHULA VISTA MUNICIPAL CODE CHAPTERS 19.07 AND 19.80

Vice Chairman Rindone seconded the motion, and it carried 7-1, with Director Ramirez voting no, and Director Desrochers absent.

Staff recommendation: That the City Council place the following ordinances on first reading:

ACTION: Councilmember Castaneda moved to place the ordinance as amended on first reading, heading read, text waived:

4b. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE CHAPTER 19.07 – SPECIFIC PLANS (FIRST READING)

Deputy Mayor Rindone seconded the motion, and it carried 5-0.

Mayor Cox moved to place the ordinance as amended on first reading, heading read, text waived:

4c. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE CHAPTER 19.80 – CONTROLLED RESIDENTIAL DEVELOPMENT (FIRST READING)

Deputy Mayor Rindone seconded the motion, and it failed 4-0-1 with Councilmember Ramirez voting no.

Councilmember Ramirez requested Item 4c be brought back for reconsideration in two weeks.

Deputy Mayor Rindone suggested a revote be taken on Item 4c this evening, and should Mr. Ramirez have any additional amendments, they can be addressed under the second reading on April 26, 2007.

ACTION: Councilmember Ramirez moved Item 4c be brought back onto the agenda for reconsideration, heading read, text waived:

PUBLIC HEARINGS (continued)

- 4c. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING
CHULA VISTA MUNICIPAL CODE CHAPTER 19.80 –
CONTROLLED RESIDENTIAL DEVELOPMENT (FIRST READING)

Mayor Cox seconded the motion, and it carried 5-0.

Deputy Mayor Rindone moved to place the ordinance on first reading, heading read, text waived:

- 4c. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING
CHULA VISTA MUNICIPAL CODE CHAPTER 19.80 –
CONTROLLED RESIDENTIAL DEVELOPMENT (FIRST READING)

Councilmember McCann seconded the motion, and it carried 5-0.

5. UPDATE REGARDING CVRC REORGANIZATION

Chairwoman/Mayor Cox stated that the update would be taken under the Chairman's Report.

PUBLIC COMMENTS

Paula Perry, Chula Vista resident, representing her neighborhood of J Street and Del Mar Avenue, spoke regarding the potential effects on her neighborhood by the Urban Core Specific Plan. She then invited all of the Directors to come view her historic neighborhood, and presented them with a petition signed by her neighbors in opposition to the UCSP.

6. CHIEF EXECUTIVE OFFICER'S REPORTS

There were none.

7. CHAIRMAN'S REPORT

Chairwoman Cox provided an update regarding the CVRC reorganization listed as Item 5 on the agenda.

8. DIRECTORS' COMMENTS

There were none.

CLOSED SESSION

At 10:48 p.m. Mayor Cox convened the Closed Session.

CLOSED SESSION (continued)

9. PUBLIC EMPLOYEE APPOINTMENT PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1)

Title: City Manager

No reportable action was taken on this item.

10. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE 54957.6(a)

Unrepresented employee: City Manager

No reportable action was taken on this item.

ADJOURNMENT

At 11:37 p.m. Chairwoman/Mayor Cox adjourned the Chula Vista Redevelopment Corporation to its regularly scheduled meeting on April 26, 2007, at 6:00 p.m., and the Chula Vista City Council to a Special Meeting and thence to its regularly scheduled meeting on April 17, 2007, at 6:00 p.m.

Ann Hix, Secretary

MINUTES OF THE REGULAR MEETINGS
OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC),
REDEVELOPMENT AGENCY AND ADJOURNED REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF CHULA VISTA

April 26, 2007

6:00 P.M.

Regular Meetings of the Chula Vista Redevelopment Corporation and Redevelopment Agency of the City of Chula Vista, and Adjourned Regular Meeting of the City Council were called to order at 6:09 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

CVRC ROLL CALL

PRESENT: Directors: Castaneda, Desrochers, Lewis, McCann, Paul, Ramirez, Rooney, Rindone, and Chair Cox

ABSENT: Directors: Castaneda

CITY COUNCIL/REDEVELOPMENT AGENCY ROLL CALL

PRESENT: Council/Agency Members: Castaneda, McCann, Ramirez, Rindone, and Mayor/Chair Cox

ABSENT: Council/Agency Members: Castaneda

ALSO PRESENT: Interim Executive Director/City Manager Thomson, General Counsel/City Attorney Moore, Acting Community Development Director/Secretary Hix, Planning Manager Ladiana, Redevelopment Project Manager Crockett, Senior Community Development Specialist Tapia, Senior Community Development Specialist Do

PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

1. APPROVAL OF MINUTES

Staff recommendation:

- a. *That the Chula Vista Redevelopment Corporation approve the minutes of March 22, 2007.*

ACTION: Director Desrochers moved approval of the Minutes of March 22, 2007. Director McCann seconded the motion. Director Ramirez requested additional time to review the minutes to clarify comments prior to approval. Consensus of the CVRC was to continue the minutes to a future meeting.

PUBLIC HEARINGS

2. CONSIDERATION BY THE CHULA VISTA REDEVELOPMENT CORPORATION, CITY OF CHULA VISTA REDEVELOPMENT AGENCY AND CITY OF CHULA VISTA CITY COUNCIL OF THE URBAN CORE SPECIFIC PLAN (PCM NO. 07-01) AND RELATED REZONING ACTIONS

The proposed UCSP consists of a neighborhood level planning document that provides new zoning regulations, development standards and design guidelines to implement land use designations, policies and objectives of the 2005 General Plan for the area described above, associated amendments to the Town Centre I Redevelopment Plan and implementing documents, and certification of a Final Environmental Impact Report.

General Counsel/City Attorney Moore stated for the record that by advisory letter A-03-232 dated December 12, 2003, Legal Counsel for the Fair Political Practices Commission advised the Chula Vista City Attorney's Office that Councilmember Rindone, who owns residential property within the Urban Core Specific Plan, would be able to apply the public generally exception of the Political Reform Act to allow him to vote on the plan even with his financial interest in property within the plan area. The public generally exception applies because the plan effects a significant segment of the property owners in this City, defined as 10% or more of all property owners or 5,000 property owners, in substantially the same manner as it would effect the Councilmember. Issue number two, Councilmember McCann owned rental property within 500 feet of the study area of the Urban Core Specific Plan, which he sold on February 23, 2005. By assistance letter I-05-058 dated April 15, 2005, the General Counsel Office of the Fair Political Practices Commission advised that Councilmember McCann would continue to have economic interest from his previous tenant and from the purchaser of the property for 12 months. That time has now passed, and the City Attorney is aware of no other financial interest that would prohibit his participation in the decision-making regarding the plan under the Political Reform Act.

Chairwoman/Mayor Cox announced that an interpreter was available for any Spanish-speaking citizens in need of assistance. Senior Community Development Specialist Tapia made the announcement in Spanish.

Vice Chairman/Deputy Mayor Rindone inquired of General Counsel/City Attorney Moore as to whether Director/Agency/Councilmember Castaneda who also owned property had received a reply from the Fair Political Practices Commission. General Counsel/City Attorney Moore responded that Mr. Castaneda had received a letter that stated that based upon the property he owned, the public generally exception applied and he would be able to vote.

Chairwoman/Mayor Cox explained how the process of the meeting would be held.

Acting Community Development Director Hix provided a video of the proposed Urban Core Specific Plan, narrated by Mark Brodeur, Urban Planner. She stated that this was an opportunity to begin actually implementing the General Plan that was adopted over a year ago, in December of 2005. She provided a brief PowerPoint presentation and noted that the Urban

PUBLIC HEARINGS (continued)

Core Specific Plan (UCSP) creates the brand new zoning, design tools and regulations that would start making the General Plan a reality in Chula Vista. She indicated the proposed UCSP was better due to all of the citizen input gathered along the way, as well as professional staff input. Changes were made along the way but were not being recommended at this time, as they will be brought back as amendments in the future after additional analysis. This would apply to the changes recommended by the Planning Commission. Ms. Hix then provided the concept of the Life Cycle of a community. She spoke of the underutilization of commercial space on the Westside and the housing stock, which is outdated, noting that the General Plan acknowledged the need for redevelopment on the Westside and the use of the UCSP tools to implement the General Plan. Extensive public participation has been included throughout the process and will continue to be utilized as projects go forward.

Acting Community Development Director Hix then introduced Mark Brodeur, Director of Urban Revitalization with Downtown Solutions. Mr. Brodeur stated he had written the Downtown Specific Plans for the cities of Coronado, Encinitas, Escondido and Temecula and was hopeful that Chula Vista would be as successful as these cities were. He then provided an overview of the public participation process, which included over 70 public meetings for the General Plan, followed by workshops for the UCSP, and highlighted the changing mobility paradigms; F Street; updated zoning for the New General Plan; UCSP zoning subdistricts; updated zoning; user friendly language and graphic illustrations and charts; neighborhood transition combining districts; design guidelines to ensure quality per the people involved in the hearings; village district themes; urban form along Third Avenue; parking drives building form; housing choices, and the promotion of a mix of active ground floor uses.

Planning Manager Ladiana provided other guiding principals in design of the Urban Core Specific Plan (UCSP), and revised the environmental process/issues related to the UCSP.

Jim Musback, Principal at EPS specializing in urban redevelopment and how to use public/private investment, provided an overview of his firms *Public Facilities Implementation Analysis* and responded to questions of the Council.

Acting Community Development Director Hix stated that upon implementing the UCSP, individual projects would continue to undergo the design review process through the Redevelopment Advisory Committee, the Environmental Secondary Study and the CVRC or Design Review Committee, and would continue to have ongoing checks and balances. In summary, what was presented was a comprehensive rezone to implement the 2005 General Plan, which would encourage private market investment, and generate critical funding for public facilities and infrastructure. Ms. Hix then outlined the recommendations presented to the CVRC, City Council and Redevelopment Agency, and summarized the considerations in the initial report that were not being recommended for implementation at this time due to public input and the need for additional analysis, as well as those proposed to be left in.

Chairwoman/Mayor Cox stated she thought it helpful for the audience, to reiterate that staff's recommendation did not include R-1, R-2, R-3, but rather, non-R-1, R-2, R-3 areas.

PUBLIC HEARINGS (continued)

Director/Agency/Councilmember McCann requested staff review the provision of incentives, such as a floor area ratio incentive.

Planning Manager Ladiana provided an example of how a pipeline project would be processed.

Acting Community Development Director Hix provided the reasoning behind the development exception provisions, stating that they were an attempt to provide the CVRC or Planning Commission some flexibility on the premise that everything that might come up could not be foreseen until they did come up, and they require four findings be met. Director/Agency/Councilmember McCann requested the incentives be reviewed for economic viability and ease of understanding by the public, as well as the process of how the projects would come about.

Chairwoman/Mayor Cox opened the public hearing and stated that three speakers in support would be called up, followed by three speakers in opposition. The meeting would then be recessed for a short break.

Dr. Peter Rullan, Chula Vista resident and property owner, spoke in support.

William Hall, Chula Vista resident and member of the Chamber of Commerce, spoke in support.

Greg Mattson, resident of San Diego, business owner of Chula Vista, and member of the Third Avenue Village Association, spoke in support.

Pamela Bensoussan, Chula Vista resident representing the Northwest Civic Association, stated that the EPS recommendation should be adopted and urged the CVRC/RDA/CC not to incorporate the development exception provisions recommended by staff.

Kathy Keehan, San Diego resident representing the San Diego County Bicycle Coalition expressed concerns with the details in the mobility section and requested reconsideration of the sidewalk and bike lane plans.

Jim Peterson, Chula Vista resident declined to speak.

Carol Ann Taylor, Chula Vista resident, expressed concerns with eminent domain and the potential sale by a neighbor of property he owned. Chairwoman/Mayor Cox encouraged Ms. Taylor to make an appointment to speak with Ms. Hix to obtain a better understanding of what was being proposed.

At 8:32 p.m., Chairwoman/Mayor Cox called for a brief recess.

At 8:50 p.m., Chairwoman/Mayor Cox reconvened the meeting with all members present except for Director/Agency/Councilmember Castaneda.

PUBLIC HEARINGS (continued)

Planning Manager Ladiana addressed earlier comments made by Mr. Mattson regarding the comprehensiveness of the plan and the removal of some areas, noting that the plan did look at the development of the entire area and it was fully recognized that the plan would take many years to occur, therefore the plan was consistent with the analysis done.

Tig Mitchell, San Diego resident representing Douglas Wilson Companies, spoke in support.

Kevin O'Neill, Chula Vista resident, spoke in support and suggested staff look at buffering on the back side of the block that would limit height of use to give the neighborhood residents piece of mind.

Scott Vinson, Chula Vista resident, Chamber of Commerce and Planning Commission member, spoke in support.

Patricia Aguilar, Chula Vista resident representing Crossroads II and the Northwest Civic Association, expressed agreement with the concept of mixed use and the need for the Urban Core Specific Plan. Ms. Aguilar then noted changes she felt needed to be made in order to achieve balance and provided the Directors with a list, encouraging approval of the plan with the proposed modifications.

Armando Ibarra, Chula Vista resident, spoke in opposition to changes he had been informed of by Crossroads II on Third Avenue between I and J Streets, which included the changing height limits and amendments to the Cummings Initiative.

Greg Moser, Attorney representing Earl Jentz, submitted a letter that identified perceived flaws with the UCSP in relation to the Cummings Initiative and spoke in opposition.

Jerry Livingston, representing the BIA, spoke in support of adoption of the plan as presented.

Andrew Michajlenko, San Diego resident representing Carrier Johnson, spoke in support, but expressed disappointment that prior proposed changes were not included and urged that they be considered in a timely fashion, which included an increased FAR in the C1 district, elimination of the lot coverage as a design parameter requirement, and an additional five feet of height on ground floor buildings if they have a commercial retail component.

Alex Beaten, San Diego resident representing City Mark Development, spoke in support.

Tina Zenzola, San Diego resident representing Walk San Diego and HEAC, expressed the need for narrowing of the lanes, widening of the sidewalks, and need to separate the combination sidewalk/bike lane.

Jackie Lancaster, Chula Vista resident, expressed concerns with the proposed development exceptions, and requested that any exceptions be approved first by the RAC.

PUBLIC HEARINGS (continued)

Jorge Valerie, Chula Vista resident, spoke in support, but expressed concerns with the potential loss of parking lots on Landis, noting that the ENA for Landis should be done carefully.

Glen Googins, Chula Vista resident, TAVA board member, and representative of multiple property owners within the Urban Core Specific Plan area, spoke in support.

John Sherritt, Carlsbad resident representing Amsley Communities, spoke in support.

Lisa Cohen, Chula Vista resident and CEO of the Chula Vista Chamber of Commerce, spoke in support.

JoAnn Hadfield, representing Mr. and Mrs. Jentz, spoke in opposition to the Draft EIR, stating that it no longer represented the project being presented.

Vice Chairman/Deputy Mayor Rindone asked Mr. Jentz to state what he would like to see in the UCSP that was not currently addressed. Mr. Jentz stated he was looking for something that would work for long term. Mr. Rindone stated he would personally be very happy to meet with Mr. Jentz whenever he was ready to have a dialogue.

Susan Walter, Chula Vista resident, was not present to speak but had submitted a speaker slip in opposition.

Tracy Clark, Chula Vista resident, spoke in support.

Dennis Chaffee, Chula Vista resident, spoke regarding mobilehome parks closing and stated the City should guarantee support for the rest of the lives of mobilehome park tenants including an annual cost of living increase.

Chris Boyd, Chula Vista resident and member of the Chamber of Commerce, spoke in support.

At 10:37 p.m. Chairwoman/Mayor Cox called for a brief recess.

At 10:45 p.m., Chairwoman/Mayor Cox reconvened the meeting with all members present except for Director/Agency/Councilmember Castaneda.

Planning Manager Ladiana responded to prior comments made regarding the EIR and project descriptions. She stated that the fact that the changes made would lower the density does not constitute a reason for recirculation, and that the changes of not narrowing Third Avenue would not create a significant impact as provided in the errata. She further stated that the figure revisions that were commented on were public comment and that they were all included in the Final EIR.

Susan O'Shaughnessy, Chula Vista resident, TAVA Boardmember and volunteer of the Healthy Spirit Bookstore, spoke in support.

PUBLIC HEARINGS (continued)

Christine Moore, Chula Vista resident, was not present to speak, but submitted a speaker's slip in support.

Patrick Hunter, San Diego resident and Chula Vista business owner, spoke in support.

Kamil Salem, El Cajon resident representing Adel Somo, submitted a speaker's slip, but was not present to speak.

Steve Molski, Chula Vista resident representing ÇOMO CAL, submitted a speaker's slip, but was not present to speak.

Omar Firestone, Chula Vista resident, submitted a speaker's slip, but was not present to speak.

Laura Hunter, representing the Environmental Health Coalition, submitted a letter with suggested compromise language pertaining to freeway buffers and the public health impacts of residents living within 500-feet of Interstate 5, encouraged the City to require the energy action, and lastly opposed the inclusion of the development exceptions.

Emily Stone, San Diego resident representing the Southwest corner of Broadway and H Street at 510 and 520 Broadway, expressed concerns with the zoning of her property which did not appear to allow for residential. Chairwoman Cox referred Ms. Stone to staff to meet with them and discuss her zoning concerns.

Tina Medina, Chula Vista resident and General Manager of the Chula Vista Convention and Visitors Bureau, spoke in support of the adoption of the UCSP.

Theresa Acerro, Chula Vista resident, stated the financial plan was inadequate regarding fees for infrastructure needs, which she stated should be called out in the UCSP area. Additionally, she expressed concerns with the parking and traffic studies not being completed prior to the setting of fees, parks fees not being adequate, the need for the exception clause to be eliminated or restricted, and that the controlled residential growth ordinance be enforced.

Tom Money, representing Money Realty, spoke in support.

Paula Perry, Chula Vista resident, spoke in opposition to the UCSP as written, expressing concerns with 60-foot buildings being allowed between I and J on Third Avenue, and requested it be changed to 45 feet, and that no back entrances to commercial buildings be allowed on Del Mar Avenue or a side entrance on J Street.

James Brown, San Diego resident, architect and developer who has entered into an ENA with the City, spoke in support of the adoption of the UCSP.

Evaristo Bueno, Chula Vista resident, submitted a speaker slip in opposition, but was not present to speak.

PUBLIC HEARINGS (continued)

Parks Pemberton, Chula Vista resident, spoke in opposition to the R-1 and R-2 properties being included in the UCSP.

Juan Pablo Mariscal, Chula Vista resident and business owner, spoke in support.

Jerry Loffredo, Chula Vista resident, spoke in opposition.

Joe Werner, partner with Juan Pablo on the Social Security property, spoke in support.

Jillayne Salmon, Chula Vista resident thanked Acting Community Development Director Hix and Planning Manager Ladiana for notifying the residents in the R-1 and R-2 neighborhoods regarding meeting with them to explain the UCSP. Ms. Salmon requested consideration for the removal of the R-1, R-2 in the UC-10 subdistrict from the UCSP.

Chairwoman/Mayor Cox stated that the following 6 people had submitted speaker slips, but were no longer present to speak:

Zulema Maldonado, Chula Vista resident, support.

Georgie Stillman, Chula Vista resident, opposition unless changes are made.

Lourdes Valdez, Chula Vista resident, support.

Tom Tourtellott, San Diego resident who works in Chula Vista, support.

Pat Combs, Chula Vista resident, support with Crossroads II recommendation.

Richard D'Ascoli, representing Public Southwest Realtors Association, support.

Greg Mattson, Chula Vista resident, read into the record a statement from Jack Blakely, Executive Director of the Third Avenue Village Association (TAVA) in support.

Scott Lohr, Chula Vista resident and owner of residential property, expressed concerns with the need to preserve the Third Avenue Village feel and historic value, and encouraged the implementation of a 3-story height limit.

Charles Moore, Chula Vista resident representing the Chula Vista Chamber of Commerce, spoke in support.

Lisa Johnson, Chula Vista native resident and Board Member of the Chula Vista Chamber of Commerce, spoke in support.

Jose Preciado, Chula Vista resident and President of the South Bay Forum, expressed support for the adoption of the UCSP, provided the exception provision was withdrawn.

Jim Pieri, Chula Vista resident and President and CEO of Mountain West Real Estate, stated he was distressed that after 4 years and over 75 public meetings, a citizen group was demanding more concessions to the already streamlined UCSP, and attempting to run the government by ballot box initiative. Mr. Pieri then expressed the support of his firm and over 200 businesses for the UCSP.

PUBLIC HEARINGS (continued)

Planning Manager Ladiana responded to comments made regarding the commercial to residential rezoning as it relates to Cummings Section 19.80.070(d); the rationale behind not narrowing Third Avenue, and provided an example to clarify the proposed development exception language which would require public input prior to approval.

Director/Agency/Councilmember Ramirez stated that the difficulty he was having with the exception language, was that it did not appear to have any boundaries, which would allow an applicant to know what they needed to work within and give the decision makers a perimeter to evaluate the exception. Planning Manager Ladiana responded that part of the annual reporting would contemplate and describe projects that would require exceptions. If everyone needed an exception and findings could not be made, then staff would bring back standards for consideration. Since the exceptions will be individual for the projects, they could not be anticipated in advance, and therefore the language proposed by staff would provide for a good first test.

Planning Manager Ladiana continued with her responses to comments concerning the pending ballot initiative and whether or not the Urban Core Specific Plan should be held off to see if it passed, the analysis that went into the public facilities and services programs, including the annual monitoring program, and the neighborhood transition combining districts tool.

Vice Chairman/Deputy Mayor Rindone requested staff obtain photos of the City of Denver's neighborhood transition combining district to show the other Directors.

Director Desrochers inquired as to how the neighborhoods on Del Mar and Jefferson would be affected. Ms. Perry stated that the lots on J Street were very narrow, and that the lots from Del Mar to Third were deeper. Director Desrochers expressed concerns with the impact, particularly shadow and wind on the single-family residences.

Director Paul pointed out that there were other criteria to design in addition to height, for example floor area ratio, area lot coverage, etc. So there may be a tall building, but not sitting as a big massive structure over the entire lot, which is what the role of the CVRC is to be—guiding the process to make sure the community and developer are well served.

Director/Agency/Councilmember Ramirez commented that the General Plan spoke at length to the preserving of stable single-family neighborhoods and of not allowing new development to adversely impact the single-family residential neighborhoods. He inquired as to whether the step backs would apply in the design. Ms. Ladiana responded that ALL standards (setback, step back, landscape, lighting barriers...) would have to be addressed, in order to preserve the single-family residential neighborhoods.

Director/Agency/Councilmember Ramirez then inquired of and Mr. Brodeur confirmed that Third Avenue was one of the most important areas that people were expressing concerns about with regards to keeping the village character. Mr. Brodeur stated that it would require a secondary review. Acting Community Development Director Hix stated that all projects would be taken to the RAC for input. Ms. Ladiana added that things such as exterior modifications should be worked into the RAC procedures, as they were administrative procedures and did not belong in the UCSP.

PUBLIC HEARINGS (continued)

Chairwoman/Mayor Cox requested Ms. Aguilar approach the podium to discuss the concepts she had submitted for consideration. Ms. Aguilar stated that most of V-2 encompassed the frontage of Third Avenue between E and G, however there was a notch on the west side, where V-3 comes up to Third Avenue at Third and F (the Fuddrucker's site), which could go up to 84-feet. They would like to see the more westerly line of V-2 continue straight south, without the jog to keep the entire frontage of Third Avenue at 45 feet. Chairwoman/Mayor Cox, following the list of requested considerations submitted by Ms. Aguilar stated that they had requested (1) the development exceptions provisions not be incorporated, and in response to that request, staff has tried to assure people that the exceptions are not massive, and are not loopholes, but were case by case consideration that would be subject to public review; (2) the ability for building height to be increased by 5 feet be eliminated, and it had; (3) the R-1 and R-2 areas be removed from the UCSP while staff worked on the Cummings Initiative amendment, and they had; (4) subdistrict C-1 be lowered from 60 feet to 45 feet, this was just referred to in the report on setbacks and step backs. Ms. Aguilar responded that C-1 was a very long corridor that should be reviewed for additional sub-dividing to determine where 45 feet may be applied to prevent adverse impact depending on what is adjacent to the property versus where 60 feet might be appropriate. Chairwoman/Mayor Cox inquired, and Ms. Ladiana responded that the EIR was completed with a 60-foot height. Chairwoman/Mayor Cox then continued with (5) the recommendation of the eastern standards being used for parking, for which staff was recommending a minimum of 1.5 parking spaces per unit with additional guest parking; and lastly (7) asking that H Street frontage require a building setback to provide for plazas and courtyards, which has a different look and feel than Third Avenue, and requested, and Ms. Aguilar explained her rationale behind the request for that setback. Planning Manager Ladiana addressed Ms. Aguilar's comments. Chairwoman/Mayor Cox stated that plazas were already a part of the H Street, but without a project, there is no way of knowing where they will be. Chairwoman/Mayor Cox then noted that requests 8, 9, and 10 were administrative procedures not specific to this particular plan, and that when she met with Ms. Aguilar, Ms. Aguilar had indicated that Crossroads II requested the addressing of the concerns with the ability to increase building heights, the tips and tails on E and G Streets, and if R-1 and R-2 would be removed, she thought Crossroads II would be able to support everything else. Chairwoman/Mayor Cox noted that what she now saw on the list was another request on parking, H Street frontage and District C-1 and wondered if there were more to come.

John Sherrett, with Amsley Communities, property owner on H Street, expressed concerns with Ms. Aguilar's proposal to make a minimum requirement of setbacks to allow for plazas along the entire length of H Street. He stated that would create a street scene of 100% buildings with plazas and no variations. He further stated, that although he supports the idea of plazas, they should not be required for every building, and staff should be given flexibility to identify where they should be located.

Ms. Aguilar stated that plazas would not be required for every other lot, but she felt it should be required for every lot, and that planting could be allowed instead on some of the lots.

PUBLIC HEARINGS (continued)

Jim Pieri expressed strong disagreement with Ms. Aguilar regarding her request for plazas on each parcel, stating that good development would put them in, but to restrict every parcel was not good planning.

There being no further members of the public wishing to speak, Chairwoman/Mayor Cox closed the public hearing.

Director Lewis responded that care needed to be taken with the use of the word restrict, and there was a need to be sensitive to those persons who will be building on their sites because when you start squeezing their land out from underneath them, they have to do something else with the building and parking and a problem is created in the ability for them to create a project that will pencil out. The UCSP is a plan, a concept that gets evaluated on a case-by-case basis, but to say every building along H Street has to have a provision for a plaza sounds great, but most won't pencil out. Evaluation has to be given to the bottom line of the person who is trying to create the building that will serve the needs of the community.

Director Rooney added that there was a possibility of giving density bonus for providing open space plazas along H Street.

Mr. Brodeur spoke regarding the incorrect statements made regarding provisions for plazas on H Street and stated that there were incentives built into the specific plan if you do a plaza. Additionally, regarding setbacks on H Street, all of the properties along H Street had an 8-foot setback in addition to the sidewalk to create public space.

Director/Agency/Councilmember Ramirez stated that although he had listened to the testimony, he was not impressed with the plan or the way it was put together, and he believed the exception clause could be improved in a way that allowed the flexibility needed, but assured him and the community that there were boundaries. He also expressed continued concerns with the height limits along Third Avenue and the preservation and capturing of the small town feel and character.

ACTION: Director/Agency/Councilmember Ramirez moved to require that subdistrict V-2 be expanded to encompass the length of Third Avenue between E Street and H Street and cap the buildings at 45 feet. The motion died for the lack of a second.

Chairwoman/Mayor Cox moved to limit the height requirements between Park Way and F Street to 45 feet. Director/Agency/Councilmember McCann seconded the motion, and it carried 7-1-1 with Director/Agency/Councilmember Ramirez voting no and Director/Agency/Councilmember Castaneda absent.

Director/Agency/Councilmember Ramirez moved to withdraw attachment B with regards to exception language and requested it be brought back with the other pending revisions with different language that could be vetted through the community and planning individuals who could offer suggestions. The motion died for the lack of a second.

PUBLIC HEARINGS (continued)

Director/Agency/Councilmember McCann requested staff refer to his previous referral for staff to do additional analysis, assuring the right incentives such as green building, energy, and FARS are reviewed.

Vice Chairman/Deputy Mayor Rindone stated that even with three years of study, not all of the answers for all of the issues have been determined, but staff has provided safeguards to ensure the review.

Chairwoman/Mayor Cox clarified that Director/Agency/Councilmember McCann's request was for staff to analyze and come back with what the flexibility and incentives were to further define it for developers.

Vice Chairman/Deputy Mayor Rindone stated that there would be continuous revisions and updates, but that it was time to have a starting point, and time to send the message that increased vagrancy and increased homelessness was not wanted.

ACTION: Vice Chairman Rindone moved approval of staff's recommendations and offered Items 2A, 2B, 2C and 2D, read the headings, waive the text. Director McCann seconded the motion.

Director/Agency/Councilmember Ramirez requested the opportunity to offer additional suggestions to make the plan work.

General Counsel Moore explained the process for amendments considered during the first and second reading of the ordinance as well as after adoption of the ordinance.

Vice Chairman Rindone stated, as the maker of the motion, he was willing to listen to any friendly amendments to the motion that Director Ramirez was interested in making, prior to voting.

Director/Agency/Councilmember Ramirez offered a friendly amendment to the neighborhood transition combining district, requesting it be removed and that staff analyze where the 60-foot buildings would be adjacent to single-family residents.

Vice Chairman/Deputy Mayor Rindone requested Mr. Ramirez clarify what he was trying to offer an amendment for, as he had already commented on that specific topic and expressed concerns indicating that he personally would ensure this would be brought back and dealt with. He then inquired as to what specifically Mr. Ramirez was requesting be amended. Mr. Ramirez stated that he did not feel there was a mechanism in the plan to deal with this issue.

Director/Agency/Councilmember Ramirez clarified his friendly amendment to the motion to have staff reexamine the setback requirements currently outlined for the transition neighborhoods.

PUBLIC HEARINGS (continued)

Urban Planner Brodeur stated his understanding of the friendly amendment was for staff to take further study and return within 90 days with a report based on specificity in terms of the lots that are adjacent to commercial zones.

Chairwoman/Mayor Cox clarified and Director/Agency/Councilmember Ramirez concurred that if the report could come back within 90 days and provide the requested specificity, the ordinances could have first and second reading and adoption without concern of a project getting through prior to the report back and amending action being taken.

Director/Agency/Councilmember Ramirez offered a friendly amendment for the inclusion of the establishment of an exclusion zone, a minimum of 500-feet from a freeway so that residential development would not be allowed unless authorized by a majority of the Council.

Chairwoman/Mayor Cox expressed concerns that there were some properties that were so narrow, in order to pencil out, they would have to go sky high, and suggested that staff be requested to review the public referral and bring it back. Director Ramirez requested this be a staff referral.

Director/Agency/Councilmember Ramirez offered a friendly amendment to amend the energy section of the plan to require developer compliance with future City energy policies for all private developments, not just City-sponsored projects.

Planning Manager Ladiana stated that this is a recommended design guideline for City sponsored public projects, but not private projects. Vice Chairman/Deputy Mayor Rindone stated he would not be willing to accept this as an amendment to the motion.

Staff Recommendation: That the CVRC adopt the following resolutions:

- 2A. CVRC RESOLUTION NO. 2007-008, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION OF THE CITY OF CHULA VISTA CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR 06-01) FOR THE URBAN CORE SPECIFIC PLAN AND RELATED ACTIONS; MAKING CERTAIN FINDINGS OF FACT; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS; ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND RECOMMENDING THAT THE CITY COUNCIL CERTIFY EIR 06-01; AND RECOMMENDING THAT THE CITY COUNCIL ADOPT THE URBAN CORE SPECIFIC PLAN (PCM 07-01)

PUBLIC HEARINGS (continued)

- 2B. CVRC RESOLUTION NO. 2007-009, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION RECOMMENDING THAT THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVE AND ADOPT THE 2007 AMENDMENT OF THE TOWN CENTRE I REDEVELOPMENT PLAN
- 2C. CVRC RESOLUTION NO. 2007-010, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION RECOMMENDING THAT THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA RESCIND CERTAIN IMPLEMENTING DOCUMENTS AND REQUIREMENTS OF THE TOWN CENTRE I REDEVELOPMENT PLAN

The motion carried 7-1-1 with Director Ramirez voting no, and Director Castaneda absent.

Staff Recommendation: That the Redevelopment Agency adopt the following resolution:

ACTION: Vice Chairman Rindone reoffered Item 2D, read the heading, waive the text:

- 2D. RDA RESOLUTION NO. 2007-1973, RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA RESCINDING IMPLEMENTING DOCUMENTS OF THE TOWN CENTRE I REDEVELOPMENT PLAN

Agency Member McCann seconded the motion, and it carried 3-1-1 with Agency Member Ramirez voting no, and Agency Member Castaneda absent.

Staff Recommendation: That the City Council adopt the following resolution:

ACTION: Councilmember McCann offered Item 2E, read the heading, waive the text:

- 2E. RESOLUTION NO. 2007-097, RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR 06-01) FOR THE URBAN CORE SPECIFIC PLAN AND RELATED ACTIONS; MAKING CERTAIN FINDINGS OF FACT; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS; AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Deputy Mayor Rindone seconded the motion, and it carried 3-1-1 with Councilmember Ramirez voting no, and Councilmember Castaneda absent.

Staff Recommendation: That the City Council place on first reading the following ordinances:

ACTION: Deputy Mayor Rindone offered Items 2F and 2G, read the headings, waive the texts:

PUBLIC HEARINGS (continued)

- 2F. ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE URBAN CORE SPECIFIC PLAN (PCM-07-01) AND RELATED REZONINGS TO IMPLEMENT THE 2005 GENERAL PLAN
- 2G. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING THE TOWN CENTRE I REDEVELOPMENT PLAN THROUGH THE ADOPTION OF THE 2007 AMENDMENT TO THE REDEVELOPMENT PLAN

Councilmember McCann seconded the motion, and it carried 3-1-1 with Councilmember Ramirez voting no, and Councilmember Castaneda absent.

PUBLIC COMMENTS

There were none.

ACTION ITEMS

- 3. CONSIDERATION OF AMENDMENTS TO EXCLUSIVE NEGOTIATING AGREEMENTS FOR FOUR SITES WITHIN THE TOWN CENTRE I REDEVELOPMENT PROJECT AREA

The CVRC has entered into four Exclusive Negotiating Agreements that are due to expire on or around June 5, 2007. The ENA's are being amended to add an additional 300 days to the Negotiating Period to explore the development feasibility of the ENA properties in conjunction with the proposed adoption of the UCSP.

Staff Recommendation: That the CVRC adopt the following resolutions:

ACTION: Director McCann offered Items 3A, 3B, 3C and 3D, headings read, text waived:

- 3A. CVRC RESOLUTION NO. 2007-011, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING A SECOND AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT WITH AVION DEVELOPMENT LLC FOR DEVELOPMENT OF THE THIRD AVENUE AND E STREET SOUTHEAST SITE.
- 3B. CVRC RESOLUTION NO. 2007-012, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING A FIRST AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT WITH DOUGLAS WILSON COMPANIES FOR DEVELOPMENT OF THE CHURCH STREET AND DAVIDSON STREET WEST SITES.

ACTION ITEMS (continued)

- 3C. CVRC RESOLUTION NO. 2007-013, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING A FIRST AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT WITH PUBLIC, A CALIFORNIA GENERAL PARTNERSHIP, FOR DEVELOPMENT OF THE CHURCH AND MADRONA NORTHWEST SITE.
- 3D. CVRC RESOLUTION NO. 2007-014, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING A SECOND AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT WITH INTERGULF-MAR (PARK) LLC FOR DEVELOPMENT OF THE THIRD AVENUE AND G STREET NORTHWEST SITE.

Vice Chairman Rindone seconded the motion, and it carried 8-0-1 with Director Castaneda absent.

4. CHIEF EXECUTIVE OFFICER'S REPORTS

- a. Revised CVRC Board Application

Chairwoman Cox stated that this was an informational item only, and upon correction of a typographical error, it would hopefully be brought back to the May 24, 2007 meeting for approval.

Interim Chief Executive Officer Thomson requested and received concurrence for the cancellation of the May 10, 2007 meeting.

5. CHAIR'S REPORTS

- a. Consideration of formation of a subcommittee consisting of two independent directors to participate with two members from the Sweetwater Union High School District to review the district's Asset Utilization Project proposal and advise City staff.

ACTION: Motion by Vice Chairman Rindone in favor of the appointment of Directors Desrochers and Lewis to serve on the subcommittee. Director McCann seconded the motion, and it carried 8-0-1, with Director Castaneda absent.

6. DIRECTORS' COMMENTS

Vice Chairman/Deputy Mayor Rindone thanked staff for their three years of dedication and willingness to listen to the community and directors, and for creating the living document.

Director/Councilmember McCann stated it was time for Chula Vista to move forward.

ADJOURNMENT

At 2:15 a.m., Mayor Cox adjourned the Chula Vista Redevelopment Corporation/Redevelopment Agency to a regularly scheduled meeting on May 24, 2007, at 6:00 p.m., the regularly scheduled meeting of May 10, 2007 having been cancelled, and the Chula Vista City Council to its regularly scheduled meeting on May 1, 2007 at 4:00 p.m. in the Council Chambers.

Ann Hix, Acting Community Development Director

MINUTES OF THE REGULAR MEETING
OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)
AND REDEVELOPMENT AGENCY AND ADJOURNED REGULAR
MEETING OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA

May 24, 2007 6:00 P.M.

Regular Meetings of the Chula Vista Redevelopment Corporation and Redevelopment Agency of the City of Chula Vista and Adjourned Regular Meeting of the City Council were called to order at 6:00 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

CVRC ROLL CALL

PRESENT: Directors: Castaneda, Lewis, McCann, Paul, Ramirez, Rooney, Rindone, and Chair Cox

ABSENT: Directors: Desrochers

CITY COUNCIL/REDEVELOPMENT AGENCY ROLL CALL

PRESENT: Council/Agency Members: Castaneda, McCann, Ramirez, Rindone, and Mayor/Chair Cox

ABSENT: Council/Agency Members: None

ALSO PRESENT: Interim Executive Director/City Manager Thomson, Deputy General Counsel/ Deputy City Attorney Shirey, Acting Community Development Director/Secretary Hix, Planning Manager Ladiana, Redevelopment Project Manager Crockett, Principal Community Development Specialist Lee, Community Development Specialist Johnson, Planning and Building Director Sandoval, Advance Planning Manager Batchelder, Senior Deputy City Clerk Peoples

PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

Interim Community Development Director Hix introduced new department employee, Sheryl Fields.

PUBLIC HEARINGS

1. CONSIDERATION OF DRC-06-65, SAV-ON STORAGE OFFICE AND STORAGE BUILDINGS AT 3712 MAIN STREET

This property comprises an office and storage complex on a portion of a 4.78 acre site located at 3712 Main Street adjacent to the northwest corner of the intersection of Hilltop Drive and Main Street. The project will include approximately 10,400 square feet of office and storage facilities.

PUBLIC HEARINGS (continued)

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

Planning Manager Ladiana presented the staff report.

Chairwoman Cox opened the public hearing.

There being no members of the public who wished to speak, Chairwoman Cox closed the public hearing.

Director Castaneda requested that when staff began working on the Southwest plan along Main Street, they consider the potential of placing the parking behind the buildings, and bringing the building forward on the lot.

Staff recommendation: That the CVRC adopt the following resolution:

ACTION: Director Castaneda moved to adopt CVRC Resolution No. 2007-015 heading read, text waived:

- 1A. CVRC RESOLUTION NO. 2007-015, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION APPROVING DESIGN REVIEW PERMIT (DRC-06-65) TO ALLOW THE CONSTRUCTION OF 10,400 SQUARE FEET OF OFFICE AND STORAGE SPACE ASSOCIATED WITH THE EXISTING SAVON STORAGE BUSINESS LOCATED AT 3712 MAIN STREET

Director McCann seconded the motion, and it carried 8-0-1, with Director Desrochers absent.

2. CONSIDERATION OF THE 2007 MIDTERM REVIEW OF THE REDEVELOPMENT AGENCY'S ADOPTED FIVE YEAR IMPLEMENTATION PLAN (2005-2009) FOR THE MERGED BAYFRONT/TOWN CENTRE REDEVELOPMENT PROJECT AREA (INCLUDING BAYFRONT AND TOWN CENTRE I) AND THE MERGED CHULA VISTA REDEVELOPMENT PROJECT AREA (INCLUDING TOWN CENTRE II, SOUTHWEST, OTAY VALLEY AND ADDED AREA)

State redevelopment law (Health & Safety Code Section 33490(c)) requires the Redevelopment Agency, during the third year of its Five Year Implementation Plan, to hold a public hearing and conduct a midterm review of the progress made within the Agency's project areas. A comprehensive Midterm Review evaluating past and future annual work programs has been prepared for consideration by the CVRC and Agency.

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

PUBLIC HEARINGS (continued)

Acting Community Development Director Hix introduced the staff report and presented the Community Development departments 5-Year Strategic Plan goals.

Principal Community Development Specialist Lee presented the Redevelopment 5-Year Implementation Plan.

Redevelopment Project Manager Crockett presented the 2007 Midterm review. Director Castaneda requested that the presentation be changed to accurately reflect completed items. Chairwoman Cox suggested the presentation wording be changed from "done" to "2006-2007" to accomplish Director Castaneda's request.

Community Development Specialist Johnson presented the Community Strengthening Strategy Principals as presented in the "White Paper".

Chairwoman Cox opened the public hearing.

Tanya Rovira-Osterwalder, Chula Vista resident, representing HEAC (Healthy Eating Active Communities), spoke in support of staff's recommendation.

Ned Ardagna, Chula Vista resident, spoke in opposition.

Chairwoman Cox closed the public hearing and requested consideration in Guiding Principal #1 of additional language stating "minimizing negative or potentially negative impacts," and a third Guiding Principal to state that the Board is listening to the public.

Director Ramirez requested staff ensure that the downside is presented up front to the public and dealt with from the beginning, and that they clearly explain what the offset of the downside will be.

Director Rindone requested both Community Development and City staff review the sales tax revenues since the State has begun forecasting a significant shortfall.

Director Castaneda addressed prior public comments regarding disrepair on Moss Street, and noted that a sewer project would be starting shortly which will provide for the complete resurfacing of Moss Street all the way to Industrial Avenue.

Director Rooney stated the importance on the Midterm review of having the H Street corridor incorporated as a new objective, and encouraged staff to thoroughly investigate the land fill property being transferred to the City by the County regarding the remediation of the ground so as to ensure it does not become a liability in the future.

Director Lewis addressed public comment stating that the phrase "educating the citizens" is based on prior experience, as a lot of the general public participants come in with a great deal of fear based on ignorance. The education process is to assist in the understanding by both sides of what the other side thinks, and he encouraged staff to take the same approach with the Southwest Specific Plan as the Bayfront, getting the citizens involved in the development stages to help develop the priorities of the plan and minimize the misinformation that is put out.

PUBLIC HEARINGS (continued)

Director Paul stated that the plan should be transparent, noting that the pressure was on staff to initiate outreach, have a fair open process, and suggested the employment of professionals to guide the outreach process when the proper time arose.

Director McCann stated that the bottom line was that good redevelopment starts with community involvement; need to make sure that the redevelopment tax increment is reinvested in the community that creates it; need to focus on results; good quality projects are needed.

Staff recommendation: That the CVRC adopt the following resolution:

ACTION: Director McCann moved to adopt CVRC Resolution No. 2007-016, heading read, text waived:

- 2A. CVRC RESOLUTION NO. 2007-016, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING RECOMMENDATION TO THE CHULA VISTA REDEVELOPMENT AGENCY TO ACCEPT THE 2007 MIDTERM REVIEW OF THE AGENCY'S ADOPTED FIVE YEAR IMPLEMENTATION PLAN FOR THE 2005-2009 FIVE YEAR PERIOD FOR THE MERGED BAYFRONT/TOWN CENTRE I REDEVELOPMENT PROJECT AREA (INCLUDING BAYFRONT AND TOWN CENTRE I) AND THE MERGED CHULA VISTA REDEVELOPMENT PROJECT AREA (INCLUDING TOWN CENTRE II, SOUTHWEST, OTAY VALLEY, AND ADDED AREA)

Director Castaneda seconded the motion, and it carried 8-0-1 with Director Desrochers absent.

Staff Recommendation: That the Redevelopment Agency adopt the following resolution:

ACTION: Director McCann moved to adopt RDA Resolution No. 2007-1975, heading read, text waived:

- 2B. RDA RESOLUTION NO. 2007-1975, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT AGENCY ACCEPTING THE 2007 MIDTERM REVIEW OF THE AGENCY'S ADOPTED FIVE YEAR IMPLEMENTATION PLAN FOR THE 2005-2009 FIVE YEAR PERIOD FOR THE MERGED BAYFRONT/TOWN CENTRE I REDEVELOPMENT PROJECT AREA (INCLUDING BAYFRONT AND TOWN CENTRE I) AND THE MERGED CHULA VISTA REDEVELOPMENT PROJECT AREA (INCLUDING TOWN CENTRE II, SOUTHWEST, OTAY VALLEY, AND ADDED AREA)

Director Castaneda seconded the motion, and it carried 5-0.

PUBLIC COMMENTS

Chairwoman Cox stated she had received a written comment from Mr. Adel Somo regarding property at 695 H Street, Chula Vista, requesting a written response, and requested Acting Community Development Director Hix draft the response.

ACTION ITEMS

3. REPORT ON CVRC STRUCTURE REORGANIZATION

At the March 22, 2007 joint meeting of the Chula Vista Redevelopment Corporation, the Redevelopment Agency and the City Council, the City Council and the Redevelopment Agency accepted the recommendation of the Council Subcommittee on the structure of the CVRC and directed staff to prepare the necessary amending documents to remove the City Council members from the CVRC Board of Directors. These documents include the CVRC Articles of Incorporation and Bylaws, and Chapter 2.55 of the Municipal Code.

Chairwoman Cox presented the staff report.

Staff Recommendation: That the CVRC adopt the following resolutions:

Deputy General Counsel/ Deputy City Attorney Shirey stated that 3A should be voted on only by the City Directors.

ACTION: Director McCann moved to adopt CVRC Resolution No. 2007-017, heading read, text waived:

3A. CVRC RESOLUTION NO. 2007-017, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION CITY DIRECTORS AMENDING THE CVRC ARTICLES OF INCORPORATION TO REMOVE THE CITY COUNCIL MEMBERS FROM THE CVRC BOARD OF DIRECTORS

Chairwoman Cox seconded the motion, and it carried 5-0.

ACTION: Director McCann moved to adopt CVRC Resolution No. 2007-018, heading read, text waived:

3B. CVRC RESOLUTION NO. 2007-018, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION AMENDING THE CVRC BYLAWS TO REMOVE THE CITY COUNCIL MEMBERS FROM THE CVRC BOARD OF DIRECTORS

Director Lewis seconded the motion, and it carried 8-0-1 with Director Desrochers absent.

ACTION ITEMS (continued)

That the CVRC and the Redevelopment Agency adopt the following resolution:

ACTION: Director/Agency Member McCann moved to adopt CVRC Resolution No. 2007-019 and RDA Resolution No. 2007-1976 heading read, text waived:

- 3C. CVRC RESOLUTION NO. 2007-019, AND RDA RESOLUTION NO. 2007-1976, JOINT RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION AND THE CHULA VISTA REDEVELOPMENT AGENCY RECOMMENDING THAT THE CITY COUNCIL AMEND CHAPTER 2.55, SECTION 2.55.090 OF THE CHULA VISTA MUNICIPAL CODE TO REMOVE THE CITY COUNCIL MEMBERS FROM THE CVRC BOARD OF DIRECTORS

Director Rooney seconded the motion, and it carried 8-0-1 with Director Desrochers absent.

That the City Council place the following ordinance on first reading:

ACTION: Councilmember McCann moved to place the ordinance on first reading, heading read, text waived:

- 3D. ORDINANCE OF THE CHULA VISTA CITY COUNCIL AMENDING CHAPTER 2.55, SECTION 2.55.090 OF THE CHULA VISTA MUNICIPAL CODE TO REMOVE THE CITY COUNCIL MEMBERS FROM THE CVRC BOARD OF DIRECTORS (FIRST READING)

Mayor Cox seconded the motion, and it carried 5-0.

Chairwoman Cox requested Item 5a be heard at this time.

4. CHIEF EXECUTIVE OFFICER'S REPORT

There were none.

Item 5a was heard prior to Item 4.

5 CHAIR'S REPORT

Chairwoman Cox requested the members of the CVRC and City Council indicate Wednesday, July 11th at 6 p.m. on their calendars as possible interviews for CVRC. If there are no CVRC interviews, the City Council still needs to be present for Planning and Parks and Recreation Commission interviews. Additionally, she requested they set aside Monday, July 23rd at 6 p.m., and Thursday August 16th at 6 p.m. Chairwoman Cox welcomed members of the CVRC to participate in the CVRC interviews, noting however, that only the Council would be voting.

CHAIR'S REPORT (continued)

a. Revised CVRC Board of Directors Application Form

Chairwoman Cox stated that the review of the draft application for CVRC membership had been completed and the application would be available and placed on the City website next week and that the Community Development staff would be placing notices in the *Star News* and *Union Tribune* to attract a good pool of applicants.

Item 4 was heard at this time.

6. DIRECTORS' COMMENTS

Director Lewis requested and received confirmation that the CVRC would be meeting on June 14th.

Director Ramirez stated he was looking for additional discussion pertaining to candidate qualifications prior to accepting applications. Chairwoman Cox responded that the Bylaws and Articles of Incorporation referred to potential CVRC Directors areas of expertise. He then requested staff review of the idea of retail versus office space.

Redevelopment Project Manager Crockett inquired as to the estimated amount of time needed to review applications prior to holding of the first interview in order to set the application deadline date. Chairwoman Cox received consensus to set the application deadline as July 2nd and requested the applications be scanned in PDF format to be e-mailed to the members for review.

Director Rindone requested consideration for the selection of people from categories that were not currently represented for first consideration. Chairwoman Cox received consensus for the Council Legislative Sub-Committee to assist with the sorting of the applications into appropriate fields of expertise prior to review by the entire Board.

Redevelopment Project Manager Crockett stated that the notices were scheduled to be submitted for publication next Friday, and the applications provided on the website for downloading and in paper form in the City Clerk's office, along with an informational brochure which would also be distributed throughout the community.

ADJOURNMENT

At 7:59 p.m. Chairwoman/Mayor Cox adjourned the Chula Vista Redevelopment Corporation/Redevelopment Agency to its regularly scheduled meeting on June 14, 2007 at 6:00 p.m., and the Chula Vista City Council to its regularly scheduled meeting on June 5, 2007 at 4:00 p.m. in the Council Chambers.

Ann Hix, Secretary

MINUTES OF THE REGULAR MEETING
OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC),
AND REDEVELOPMENT AGENCY, AND ADJOURNED REGULAR
MEETING OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA

June 14, 2007

6:00 P.M.

Regular Meetings of the Chula Vista Redevelopment Corporation and Redevelopment Agency of the City of Chula Vista and Adjourned Regular Meeting of the City Council were called to order at 6:01p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

CVRC ROLL CALL

PRESENT: Directors: Castaneda (arrived at 6:07 p.m.), Desrochers, Lewis, McCann, Paul, Ramirez, Rooney, Rindone, and Chair Cox

ABSENT: Directors: None

CITY COUNCIL/REDEVELOPMENT AGENCY ROLL CALL

PRESENT: Council/Agency Members: Castaneda, McCann, Ramirez, Rindone, and Mayor/Chair Cox

ABSENT: Council/Agency Members: None

ALSO PRESENT: Executive Director/City Manager Garcia, Assistant Executive Director/Assistant City Manager Thomson, Acting Assistant City Manager/City Engineer Tulloch, General Counsel/City Attorney Moore, Deputy City Attorney Cusato, Chief Financial Officer Kachadorian, Assistant Chief Financial Officer Davis, Budget and Analysis Director VanEenoo, Acting Community Development Director/Secretary Hix, Planning Manager Ladiana, Redevelopment Manager Crockett, Housing Manager Mills, Principal Community Development Specialist Lee, Senior Community Development Specialist Tapia, Community Development Specialist Johnson, Planning and Building Director Sandoval, Senior Management Analyst Stepnowsky, Senior Deputy City Clerk Peoples, Senior Administrative Secretary Fields

PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

1. WRITTEN COMMUNICATIONS

Memorandum from Paul Desrochers requesting an excused absence from the CVRC meeting of May 24, 2007

Staff Recommendation: That the CVRC excuse the absence.

WRITTEN COMMUNICATIONS (continued)

ACTION: Director McCann moved approval of the request for an excused absence. Director Ramirez seconded the motion, and it carried 7-0-1 with Director Castaneda absent, and Director Desrochers abstaining.

PUBLIC COMMENTS

There were none.

Chairwoman/Mayor Cox introduced new City Manager Garcia and recognized outgoing City Manager Thomson.

PUBLIC HEARINGS

2. LAND USE CONSIDERATIONS AND FINANCIAL ASSISTANCE FOR A 42-UNIT AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 1501 BROADWAY, KNOWN AS "LOS VECINOS"

On December 18, 2006, Wakeland Housing and Development Corporation submitted applications requesting a zone change and design review to develop an affordable for-rent project located at 1501 Broadway. The site is currently developed with the vacant and boarded up Tower Lodge motel. The proposed project consists of 42 multi-family affordable rental units, and under State law and the Municipal Code, the Planning Commission and CVRC must hold public hearings on proposed actions and provide written recommendations to the City Council.

In addition to the rezone and design review, the applicant is requesting (1) a reduction of the parking space requirements, (2) a reduction in the open space requirements, and (3) a reduction in the required front setback.

Additionally, the applicant has submitted a request for Redevelopment Agency financial assistance, not to exceed \$5,480,000.

Notice of the hearing was given in accordance with legal requirements, and the hearing was held on the date and at the time specified in the notice.

Acting Community Development Director Hix provided an introduction to the project, noting that what was being considered was a rezone, density bonus, design review, request for Agency funding, and environmental review. Senior Community Development Specialist Tapia provided an overview of the project description, project site, adjacent uses, General Plan land use designation, and community outreach. Housing Manager Mills spoke regarding the project's financing aspects.

Chairwoman/Mayor Cox opened the public hearing.

Glenn Googins, Chula Vista resident and Boardmember of Wakeland Housing & Development Corporation, provided an overview of Wakeland's background and spoke in support of the proposed project.

PUBLIC HEARINGS (continued)

Rebecca Louie of Wakeland provided a brief overview of the energy efficiency and conservation aspects of the proposed project and responded to questions.

Theresa Acerro, Chula Vista resident and President of the Southwest Civic Association, spoke in support of the proposed project.

There being no further members of the public who wished to speak, Chairwoman/Mayor Cox closed the public hearing.

Staff Recommendation: That the CVRC adopt the following resolution:

ACTION: Director Desrochers moved to adopt CVRC Resolution No. 2007-020, heading read, text waived:

- 2A. CVRC RESOLUTION NO. 2007-020, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION RECOMMENDING THAT THE CITY COUNCIL INTRODUCE AN ORDINANCE ADOPTING THE MITIGATED NEGATIVE DECLARATION IS-07-017, AMENDING THE ZONING MAPS ESTABLISHED BY MUNICIPAL CODE SECTION 19.18.010 BY REZONING ONE PARCEL CONSISTING OF 1.46 ACRES LOCATED AT 1501 BROADWAY FROM CT-P (COMMERCIAL THOROUGHFARE WITH PRECISE PLAN) TO R-3 (APARTMENT RESIDENTIAL), AND APPROVING INCENTIVES AND CONCESSIONS PURSUANT TO THE DENSITY BONUS LAW FOR THE REDUCTION IN CERTAIN DEVELOPMENT STANDARDS FOR THE DEVELOPMENT OF AN AFFORDABLE FOR-RENT PROJECT BY WAKELAND HOUSING DEVELOPMENT

Director Paul seconded the motion, and it carried 9-0.

Staff Recommendation: That the City Council place the following ordinance on first reading:

ACTION: Mayor Cox moved to place the ordinance on first reading, heading read, text waived:

- 2B. ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING MITIGATED NEGATIVE DECLARATION IS-07-017, AMENDING THE ZONING MAPS ESTABLISHED BY MUNICIPAL CODE SECTION 19.18.010 BY REZONING ONE PARCEL CONSISTING OF 1.46 ACRES LOCATED AT 1501 BROADWAY FROM CT-P (COMMERCIAL THOROUGHFARE WITH PRECISE PLAN) TO R-3 (APARTMENT RESIDENTIAL), AND APPROVING INCENTIVES AND CONCESSIONS PURSUANT TO THE DENSITY BONUS LAW FOR THE REDUCTION IN CERTAIN DEVELOPMENT STANDARDS FOR THE DEVELOPMENT OF AN AFFORDABLE FOR-RENT PROJECT BY WAKELAND HOUSING DEVELOPMENT (FIRST READING)

PUBLIC HEARINGS (continued)

Councilmember Castaneda seconded the motion, and it carried 5-0.

Staff Recommendation: That the CVRC adopt the following resolution:

ACTION: Vice Chairman Rindone moved to adopt CVRC Resolution No. 2007-021, as amended adding a condition to Exhibit B to state the requirement of a minimum of 4 visitor parking spaces with the desire of 6, heading read, text waived:

- 2C. CVRC RESOLUTION NO. 2007-021, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION (A) APPROVING DESIGN REVIEW PERMIT DRC-07-27 TO ALLOW THE CONSTRUCTION OF A 42-UNIT AFFORDABLE HOUSING PROJECT ON THE SITE LOCATED AT 1501 BROADWAY; AND (B) RECOMMENDING CONDITIONAL APPROVAL OF FINANCIAL ASSISTANCE IN AN AMOUNT NOT TO EXCEED \$5,480,000, SUBJECT TO FUTURE APPROPRIATION FROM THE UNAPPROPRIATED BALANCE IN THE LOW AND MODERATE INCOME HOUSING FUND TO WAKELAND HOUSING AND DEVELOPMENT CORPORATION FOR THE DEVELOPMENT AND OPERATION OF AN AFFORDABLE RENTAL HOUSING DEVELOPMENT TO BE LOCATED AT 1501 BROADWAY IN THE CITY OF CHULA VISTA

Director Lewis seconded the motion, and it carried 9-0.

Staff Recommendation: That the RDA adopt the following resolution:

ACTION: Chairwoman Cox moved to adopt RDA Resolution No. 2007-1977, heading read, text waived:

- 2D. RDA RESOLUTION NO. 2007-1977, RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA CONDITIONALLY APPROVING FINANCIAL ASSISTANCE IN AN AMOUNT NOT TO EXCEED \$5,480,000 SUBJECT TO FUTURE APPROPRIATION FROM THE UNAPPROPRIATED BALANCE IN THE LOW AND MODERATE INCOME HOUSING FUND TO WAKELAND HOUSING AND DEVELOPMENT CORPORATION FOR THE DEVELOPMENT AND OPERATION OF AN AFFORDABLE RENTAL HOUSING DEVELOPMENT TO BE LOCATED AT 1501 BROADWAY IN THE CITY OF CHULA VISTA

Vice Chairman Rindone seconded the motion, and it carried 5-0.

ACTION ITEMS

3. REPORT ON PROPOSED FY 2007-08 REDEVELOPMENT AGENCY OPERATING AND CAPITAL IMPROVEMENT BUDGET

ACTION ITEMS (continued)

On June 19, 2007, the Office of Budget & Analysis and Finance Department will be presenting a comprehensive budget package to the City Council and Redevelopment Agency for Fiscal Year 2007-08. This report provides a summary of the key elements of the budget package that affect the operations of the CVRC and Redevelopment Agency, including two important proposed changes to the Redevelopment Agency budget structure.

General Council/City Attorney Moore explained the process that would be used on Item 3, stating that on Item 3A, CVRC Board Members Castaneda, McCann, Ramirez, and Rindone had conflicts of interest and should abstain from voting on the item and leave the dais. Further, that with respect to Items 3B and 3C before the CVRC and Redevelopment Agency, a new CIP called "Southwest Planning and Civic Engagement Activities" would be created in the Merged Project Area, and \$312,000 would be appropriated from the available balance in the Merged Project Fund. The action before the Redevelopment Agency requires a 4/5ths vote. Agency Board Members McCann, Ramirez, and Rindone own property within 500 feet of the boundary of this CIP and/or the Merged Project area. Since there were not sufficient facts to determine if the public generally exception applied in this case, the Redevelopment Agency must invoke the "rule of legally required participation" in order to take action on this resolution. This requires the placing of their names in a hat, and two names being drawn at random. Those drawn would be the Agency Board members who would be allowed to participate on this item, and who would participate as CVRC City Directors for Item 3B. General Counsel/City Attorney Moore then placed slips of paper containing Agency Members McCann, Ramirez, and Rindone's names into a hat, and Chula Vista resident Theresa Acerro randomly drew the names of Rindone and McCann. General Counsel/City Attorney Moore announced that Director/Agency Member Ramirez would be required to abstain from participation on items 3B and 3C and leave the dais during their deliberations.

At 7:42 p.m., Chairwoman/Mayor Cox called for a brief recess.

At 7:52 p.m., Chairwoman/Mayor Cox reconvened the meeting with all members present except for Director/Agency/Councilmember Castaneda, Director/Agency/Councilmember McCann, Director/Agency/Councilmember Ramirez, and Vice Chairman/Deputy Mayor Rindone.

Acting Community Development Director Hix provided an introduction of the report. She stated that over the last year, Community Development staff had worked with the offices of Budget and Analysis and Finance to basically deconstruct and analyze the Redevelopment Agency budget, and then reconstruct it in a way that was clear and easy for everyone to understand. The goal was for staff to be better able to manage the budget, for the public and elected officials to understand it, and most importantly, to be able to see where all of the money was going. The product presented was a big improvement, but needed additional work to make it more user-friendly. Two of the most important changes made were to move staffing costs for Redevelopment and Housing from the Community Development General Fund budget directly into the Agency budget. Under the previous budget, staff costs from the General Fund were reimbursed by the Agency or Housing funds and combined with an overhead factor that tended to make staffing costs look huge. Now the overhead factor was separated out and was going to be separately negotiated. The second thing done was to move debt service expenditures for Agency-issued bonds from the General Fund to the Agency budget, making it clearer and keeping the Agency from accruing interest on the debt. These changes were consistent with recommendations from the EPS report. During this process additional analysis was done of all department and other

ACTION ITEMS (continued)

charges to the Redevelopment Agency, resulting in the reprogramming of some of that funding to be more in line with Agency goals and priorities. To better control expenditures, the Agency will begin, in effect, contracting for the services that it needs with other City departments and potentially outside organizations or consultants. While none of these actions resulted in additional revenue, the department is now positioned to better handle what they do have, and the bonanza of funding when it does start to come in.

Assistant Chief Financial Officer Davis provided budget information covering the All Agency Fund Sources budget, which included uses, combined assessed valuations for the project areas over the last 10 years, growth of tax increment over the last 10 years, and the Redevelopment Agency's Operating Funds Reserves summary.

Next, Redevelopment Manager Crockett presented the Fiscal Year 2007/2008 Gross Tax Increment Allocations, Fiscal Year 2007/2008 Low-Mod Housing Funds Allocations, and the Fiscal Year 2007/2008 Capital Improvement Projects.

Tanya Rovira-Osterwalder, Chula Vista resident and Project Coordinator for the Healthy Eating, Active Communities organizations, expressed support for the allocation of funds specifically for the Southwest planning and civic engagement.

Director Desrochers inquired, and Assistant Chief Financial Officer Davis responded, that staff was projecting that the Redevelopment Agency would have almost \$1 million in funds remaining from the bond sales after this current fiscal year has ended, \$1.4 million for RDA available for projects at the end of the next fiscal year, about \$2.3 million in bond proceeds yet to be spent, and that the Low-Mod Housing fund had a balance of approximately \$5 million. Redevelopment Project Manager Crockett responded that after funding the Wakeland Project, there would be approximately \$1.5 million in the 20% affordable housing fund balance. Director Desrochers requested a breakdown be provided after completion of the negotiation process that shows staff services such as Planning and City Attorney.

Director Lewis inquired as to how gap financing would be provided to assist other projects. Mr. Crockett responded that although funding would not always be available, there were still other tools that could be used to promote redevelopment projects.

Director Rooney inquired as to whether the way staff was authorizing projects would result in deficit spending, to which Mr. Crockett stated it would not, as staff was legally obligated to spend the money within certain timeframes. He then explained how that as the projects go through the design/development system, time passes prior to actual allocation of funds, and in the meantime the current funding continues to grow and new fiscal year funding comes into play.

Director Paul inquired, and staff confirmed that the positions referred to in the report, represented current staff, which reports to Acting Community Development Director Hix. Director Paul requested additional in-depth information be provided in the near future, as to what some of the larger numbers in the report were comprised of.

Director Desrochers confirmed that the Agency owned some property/land, which could potentially be used to stimulate development.

ACTION ITEMS (continued)

Chairwoman/Mayor Cox requested that as the newly reconstituted CVRC moved forward, they be provided with the 11 staff positions in a format so that members of the Board could see their occupations, names, and contact information. She then provided the new City Manager with a brief overview of why the redevelopment budget was being changed the way it was, and why there was no provision in the budget for the position of the Executive Director, and that the City Manager's designee was to be the Executive Director, which would be reviewed within three years of the reconstitution of the CVRC.

Staff Recommendation: That the CVRC adopt the following resolutions:

ACTION: Director Desrochers moved to adopt CVRC Resolution No. 2007-022, heading read, text waived:

- 3A. CVRC RESOLUTION NO. 2007-022, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING RECOMMENDATIONS TO THE CHULA VISTA REDEVELOPMENT AGENCY TO ADOPT THE PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE REDEVELOPMENT AGENCY AND HOUSING AUTHORITY FOR FISCAL YEAR 2007-08

Director Lewis seconded the motion, and it carried 5-0-4, with Directors Castaneda, McCann, Ramirez and Rindone abstaining.

Directors Castaneda, McCann and Rindone returned to the Council Chambers.

City Attorney Moore clarified that the Redevelopment Agency Members would be voting on Items 3B and 3C; however, she suggested that the Members who had the potential conflict of interest abstain from voting on 3B.

ACTION: Director Castaneda moved to adopt CVRC Resolution No. 2007-023, heading read, text waived:

- 3B. CVRC RESOLUTION NO. 2007-023, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING RECOMMENDATIONS TO THE CHULA VISTA REDEVELOPMENT AGENCY TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT IN THE MERGED PROJECT FUND CALLED "SOUTHWEST PLANNING AND CIVIC ACTIVITIES"

Director Paul seconded the motion, and it carried 6-0-3, with Directors McCann, Ramirez, and Rindone abstaining.

ACTION ITEMS (continued)

Staff Recommendation: That the RDA adopt the following resolution:

ACTION: Chairwoman Cox moved to adopt RDA Resolution No. 2007-1978, heading read, text waived:

- 3C. RDA RESOLUTION NO. 2007-1978, RESOLUTION OF THE CHULA VISTA REDEVELOPMENT AGENCY APPROPRIATING \$312,000 FROM THE AVAILABLE FUND BALANCE OF THE MERGED PROJECT FUND TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT IN THE MERGED PROJECT FUND CALLED "SOUTHWEST PLANNING AND CIVIC ENGAGEMENT ACTIVITIES"

Agency Member Castaneda seconded the motion, and it carried 4-0-1 with Agency Member Ramirez abstaining.

4. CHIEF EXECUTIVE OFFICER'S REPORTS

- a. Follow-up on Community Strengthening Strategies Report (White Paper)

Acting Community Development Director Hix stated that although funding was approved, staff was also applying for grant funding, and was beginning discussion with various partners in the Southwest consisting of residents, community groups, schools, faith based organizations, other public agencies and the business community to work on the strengthening of relationships and building trust. The initial product (work program) will be brought back as soon as possible. She then introduced the Project Lead, Nancy Lytle from Planning. Sarah Johnson from the Community Development Staff will be the Project Manager.

Acting Community Development Director Hix then spoke regarding the invitation sent to members for a National League of California Cities roundtable requesting an Elected Official, noting that the application needed to be submitted within four days. Chairwoman/Mayor Cox requested the Elected Directors review their calendars and notify her within the next couple of days as to their interest in attending.

Ms. Hix then requested and received Board concurrence to cancel the July 28, 2007 meeting.

5. CHAIRWOMAN'S REPORTS

Chairwoman Cox stated that the applications for CVRC Directors had been delivered to CVRC members in their packets, and stated that the Legislative Subcommittee, as previously agreed to, would group the applicants by the fields they were most prepared for, prior to submitting them to the CVRC members for review. She then requested that between now and July 2, CVRC members e-mail generic questions to her that they would like to ask the applicants during the interview process.

6. DIRECTORS' COMMENTS

Director Desrochers reported that he and Director Lewis had met with the Sweetwater Union High School District subcommittee and have an additional meeting scheduled. They will report any progress from their meetings at a future CVRC meeting.

Director Lewis commented on the community outreach process and offered from his personal experience that staff has the role of sales people, and that the CVRC has the role of customer service. He stated that it is important that they both work together from day one so that they all come from the same position.

Director Paul welcomed new City Manager Garcia and wished Jim Thomson well.

Director McCann inquired as to whether applicants were being asked to submit their Form 700 Conflict of Interest statements. General Counsel/City Attorney Moore stated that the requirement would be acceptable, but would also create a public document. Chairwoman Cox expressed concern with making the Form 700 public if the applicant was not actually chosen for the position. General Counsel/City Attorney Moore provided several options to achieve the expressed desired results. Vice Chairman Rindone suggested that all applicants be provided with the Form 700, and be notified that they would be required to complete the form if selected to serve on the Board, and that the form would become a public record. General Counsel/City Attorney Moore stated that Deputy City Attorney Dawson would be designated to respond to any inquiries of applicants regarding the Form 700.

7. CLOSED SESSION

At 8:58 p.m. Chairwoman/Mayor Cox convened the Closed Session.

1. Conference with legal counsel – Potential Initiation of Litigation pursuant to California Government Code Section 54956.9(c):

One (1) case

No reportable action was taken on this item.

ADJOURNMENT

At 8:30 p.m., Chairwoman/Mayor Cox adjourned the Chula Vista Redevelopment Corporation/Redevelopment Agency to July 12, 2007, at 6:00 p.m., noting that their regularly scheduled meeting on June 28, 2007 had been canceled, and the Chula Vista City Council to its regularly scheduled meeting on June 19, 2007 at 6:00 p.m. in the Council Chambers.

Ann Hix, Secretary